



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 14, 2018

S. 2773

Driftnet Modernization and Bycatch Reduction Act

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on September 5, 2018*

S. 2773 would amend the Magnuson-Stevens Fishery Conservation and Management Act to require the National Oceanic and Atmospheric Administration (NOAA) to conduct a transition program to facilitate the phaseout of large-scale driftnet fishing. The bill would authorize NOAA to provide grants to operators of driftnet fishing vessels with federal permits to cover the cost of permitting fees, forfeited fishing gear, and new alternative fishing gear.

According to NOAA, 56 vessels currently have driftnet fishing permits. CBO expects that most but not all of those vessels would apply for grants. Using information from NOAA on the expected costs to vessels of forfeiting fishing gear and purchasing alternate gear, CBO estimates that implementing S. 2773 would cost \$4 million over the 2019-2023 period. Such spending would be subject to the appropriation of the necessary amounts.

Enacting S. 2773 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting S. 2773 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 2773 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

The bill would impose a private-sector mandate on certain fishing operations by limiting the type of nets that may be used in the drift gillnet (DGN) fishery off of the West Coast. Current law limits only the driftnets length. S. 2773 would amend the definition of large-scale driftnet fishing to include nets with a mesh size that is at least 14 inches. The new definition would effectively prohibit large driftnets in the DGN fishery. The cost of the mandate would be any revenue forgone by fishing operations whose catch decreases as a result of the new limitation. CBO expects that 56 entities with driftnet fishing permits would be affected, and the loss of revenue would be small. As a result, CBO estimates that the aggregate cost of the mandate would fall well below the annual threshold

established in UMRA for private-sector mandates (\$160 million in 2018, adjusted annually for inflation).

The CBO staff contacts for this estimate are Robert Reese (for federal costs) and Zachary Byrum (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.