

S. 906, Driftnet Modernization and Bycatch Reduction Act

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on April 3, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	*	*
Revenues	0	*	*
Deficit Effect	0	*	*
Spending Subject to Appropriation (Outlays)	0	4	n.e.
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
n.e. = not estimated; * = between -\$500,000 and \$500,000.			

S. 906 would 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. Those grants would cover the cost of permits, the forfeiture of existing fishing gear, and the acquisition of alternative new fishing gear. The bill also would allow NOAA to implement fees on charter vessels that harvest Pacific halibut in certain parts of the northern Pacific Ocean.

According to NOAA, 56 vessels currently have driftnet fishing permits. CBO expects that most but not all of those vessels would apply for the grants authorized by S. 906. Using information from NOAA about the expected costs to reimburse fishers for the forfeited fishing gear and to purchase alternate gear, CBO estimates that implementing S. 906 would cost \$4 million over the 2019-2024 period. Such spending would be subject to availability of appropriated funds.

Enacting S. 906 also could affect revenues and associated direct spending because the bill would authorize NOAA to levy additional fees on certain charter vessels that harvest Pacific halibut. Those fees would be classified as revenues and could be spent without further appropriation to fund halibut conservation and research, administrative costs for the Recreational Quota Entity program, and to buy halibut quota shares from the International Pacific Halibut Commission.

Using information from NOAA on the number of vessels that could be charged fees under the bill, CBO estimates that any additional fees collected would not be significant over the 2019-2029 period. Moreover, because any fees collected would probably be spent soon thereafter, CBO estimates the net effect on the deficit would be negligible.

S. 906 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) on certain fishing operations. CBO estimates that the aggregate cost to comply with the bill's requirements would fall below the annual threshold established in UMRA for private-sector mandates (\$164 million in 2019, adjusted annually for inflation).

The bill would limit the type of nets that may be used in the drift gillnet (DGN) fishery off of the West Coast. Current law only limits driftnet length. S. 906 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 the use of large driftnets in the 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 fewer than 40 entities would be affected, and the loss of revenue would be small.

The bill also would require charter operators to pay fees on vessels that harvest Pacific halibut. Using information from NOAA, CBO expects those fee collections would be small.

S. 906 contains no intergovernmental mandates as defined in UMRA.

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