



DISCRETIONARY FUNDS

COASTAL ZONE MANAGEMENT FUND

The Coastal Zone Management Fund (CZMF) was established under the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508). The CZMF consists of loan repayments from the former Coastal Energy Impact Program. Loans under this program were made prior to 1992, but balances were not transferred to the General Fund in accordance with the Federal Credit Reform Act of 1990 (FCRA), even though the account effectively serves as a liquidating account. To resolve this inconsistency, the Budget proposes to cancel all balances in the Coastal Zone Management Fund, make future payments to the Fund subject to FCRA, and eliminate the annual transfer from this account to the Operations, Research, and Facilities account.

COASTAL IMPACT ASSISTANCE FUND

Congress authorized the Coastal Impact Assistance Program (CIAP) in 2001 to assist states in mitigating the impacts from Outer Continental Shelf (OCS) oil and gas production. Congress appropriated \$150,000,000 in FY 2001 to seven coastal states: Alaska, California, Texas, Louisiana, Mississippi, Alabama, and Florida, to implement this program. Funds were expended according to Coastal Impact Assistance Plans developed by the states. NOAA was charged with implementing this program at the federal level. FY 2001 was the only year NOAA received an appropriation for these activities; however, NOAA continues to receive de-obligations from this grant program, which are deposited in this account.

FISHERMEN'S CONTINGENCY FUND

The Fishermen's Contingency Fund (FCF) program minimizes financial losses of the fishing industry caused by competing uses of the Outer Continental Shelf (OCS) and provides for timely resolution of claims by vessel owners. The FCF is authorized under Section 402 of Title IV of the Outer Continental Shelf Lands Act Amendments of 1978. NOAA compensates U.S. commercial fishermen for damage or loss of fishing gear, vessels, and resulting economic loss caused by obstructions related to oil and gas exploration, development, and production in any area of the Outer Continental Shelf. The funds used to provide this compensation are derived from fees collected by the Secretary of the Interior from the holders of leases, exploration permits, easements, or rights-of-way in areas of the Outer Continental Shelf. The FCF account is funded solely through user fees. Disbursements can be made only to the extent authorized in appropriation acts. In FY 2012 NMFS requests budget authority of \$350,000 for the payment of claims filed by fisherman. These funds should be sufficient to cover the anticipated amount of claims for FY 2012.



FOREIGN FISHING OBSERVER FUND

The Foreign Fishing Observer Fund (FFOF) is financed through fees collected from owners and operators of foreign fishing vessels fishing within the Exclusive Economic Zone (EEZ) of the United States (such fishing requires a permit issued under the Magnuson-Stevens Fishery Conservation and Management Act). This includes longline vessels fishing in the Atlantic billfish and shark fishery and other foreign vessels fishing in the EEZ. The fund is used by NOAA to pay salaries, administrative costs, data editing and entry costs, and other costs incurred in placing observers aboard foreign fishing vessels. The observer program is conducted primarily through contracts with the private sector. NOAA/NMFS places these observers aboard foreign fishing vessels to monitor compliance with U.S. fishery laws and to collect fishery management data. Amounts available in the fund can be disbursed only to the extent and in amounts provided in appropriation acts. In FY 1985, Congress approved the establishment of a supplemental observer program. The program provided that foreign vessels without federally-funded observers are required to obtain the services of private contractors certified by the Secretary of Commerce. NOAA does not anticipate foreign fishing in the U.S. EEZ requiring funds from this account. In FY 2012, NOAA requests that \$350,000 of the unobligated balance available be rescinded.

FISHERIES FINANCE PROGRAM ACCOUNT

The Fisheries Finance Program (FFP) Account is a national loan program that makes long-term fixed-rate financing available to U.S. citizens who otherwise qualify for financing or refinancing of the construction, reconstruction, reconditioning, and, in some cases, the purchasing of fishing vessels, shoreside processing, aquaculture, and mariculture facilities, and the purchase of individual fishing quota (IFQ). The FFP operates under the authority of Title XI of the Merchant Marine Act of 1936, as amended (46 USC 53701); Section 303(a) of the Sustainable Fisheries Act amendments to the Magnuson-Stevens Act; and, from time to time FFP-specific legislation. NMFS requests no increase for the FFP because these loans have a negative subsidy rate and no appropriated funds are required. However, specific loan ceilings for each type of loan authority within the FFP must be included in appropriation language or other bill language regardless of the need for cash appropriations. The FY 2012 budget proposal requests loan authority of \$24 million for IFQ loans and \$59 million for FFP traditional loans as authorized by the Merchant Marine Act. Three benefits will result from this action. First, the IFQ loan program is part of the Northwest Halibut and Sablefish and the Bering Sea and Aleutian Islands Crab limited entry fisheries management program that continues to stabilize these fisheries. This will also support the implementation of the crab IFQ loan required by the management plan approved by the North Pacific Fisheries Management Council. Second, FFP traditional lending is harvesting-capacity-neutral and supports qualified established U.S. seafood companies operating in a sustainable fisheries environment. Last, FFP lending to marine aquaculture facilities contributes to the development of a promising avenue of seafood production and greater economic sustainability from U.S. ocean resources.

PROMOTE AND DEVELOP FISHERIES PRODUCTS

The American Fisheries Promotion Act (AFPA) of 1980 amended the Saltonstall-Kennedy (S-K) Act to authorize a grants program for fisheries research and development projects to be carried out with S-K funds. S-K funds are derived from a mandatory transfer from the Department of Agriculture to NOAA from duties on imported fisheries products. An amount equal to 30% of these duties is made available to NOAA and, subject to appropriation, is available to carry out the purposes of the AFPA. The S-K grants program has provided substantial assistance to address impediments to the management, development, and utilization of the Nation's living marine resources. Each year a Federal Register notice is published



announcing the program. The annual notice outlines priority areas, such as research on reduction/elimination of bycatch and aquaculture. The remainder of the S-K funds, which are transferred as discretionary funds, are used to offset the appropriation requirements of the Operations, Research, and Facilities account.

PACIFIC COASTAL SALMON RECOVERY FUND

The Pacific Coastal Salmon Recovery Fund (PCSRF) was established by Congress in FY 2000 to address the listings of Pacific salmon and steelhead populations under the ESA and the impacts of the Pacific Salmon Treaty Agreement between the United States and Canada. Under the PCSRF, NMFS manages a program to provide funding to the states and tribes of the Pacific Coast region (Washington, Oregon, California, Idaho, Nevada, and Alaska) to implement projects that restore and protect salmonid populations and their habitats. Through FY 2010, over \$880 million has been provided to nearly 9 thousand projects throughout the region that have made important contributions to improve that status of ESA-listed salmonids, preventing extinctions, and helping to protect currently healthy populations. In addition to the PCSRF federal funds, states provide significant matching funds through their grant allocation processes. Furthermore, the federal and state matching funds are supplemented by private and local contributions at the project level, including additional funding, volunteer time, and other in-kind donations. The FY 2012 President's Request includes \$65,000,000 for this account.

MARINE MAMMAL UNUSUAL MORTALITY EVENT FUND

An unusual mortality event (UME) is defined under the Marine Mammal Protection Act as “a stranding that is unexpected; involves a significant die-off of any marine mammal population; and demands immediate response.” In recent years, increased efforts to examine carcasses and live stranded animals have improved the knowledge of mortality rates and causes, allowing a better understanding of population threats and stressors and the ability to determine when a situation is “unusual.” Understanding and investigating marine mammal UMEs is important because they can serve as indicators of ocean health, giving insight into larger environmental issues which may also have implications for human health and welfare.

Marine Mammal Protection Act Section 405 (16 USC 1421d) establishes the Marine Mammal Unusual Mortality Event Fund. The fund: “shall be available only for use by the Secretary of Commerce, in consultation with the Secretary of the Interior to compensate persons for special costs incurred in acting in accordance with the contingency plan issued under section 1421c(b) of this title or under the direction of an onsite coordinator for an unusual mortality event; for reimbursing any stranding network participant for costs incurred in preparing and transporting tissues collected with respect to an unusual mortality event for the Tissue Bank; and for care and maintenance of marine mammal seized under section 1374(c)(2)(D).” According to the MMPA, deposits can be made into the fund by the following: “amounts appropriated to the fund; other amounts appropriated to the Secretary with respect to unusual mortality events; and amounts received by the United States in the form of gifts, devises, and bequests under subsection (d) of this section.”

MEDICARE ELIGIBLE RETIREE HEALTH CARE FUND

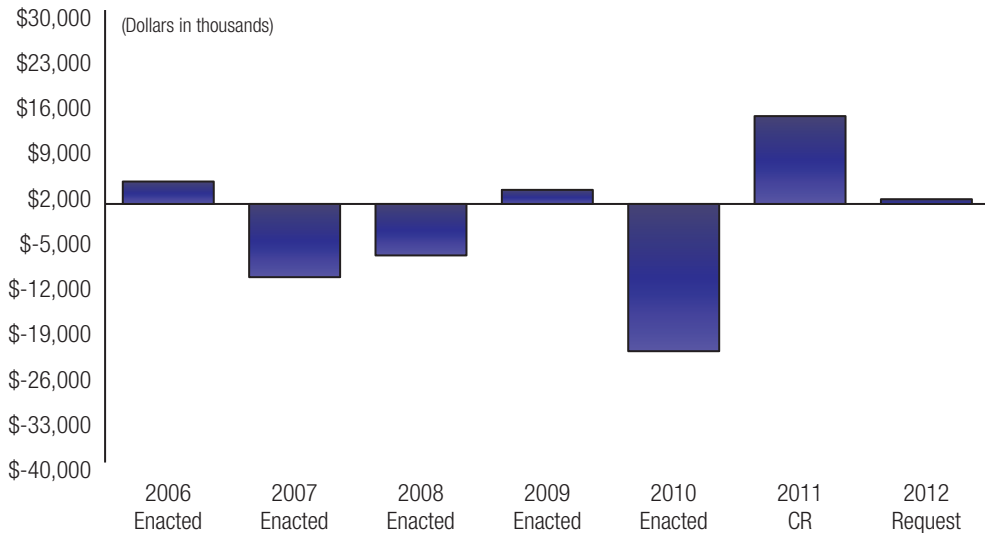
The FY 2003 Department of Defense Authorization Act requires all uniformed services, including NOAA, to participate in an accrual fund for Medicare-eligible retirees. Payments into this accrual fund will cover the future health care benefits of present, active-duty NOAA officers and their dependents and annuitants.



OTHER DISCRETIONARY FUNDS

(DOLLARS IN THOUSANDS)	FY 2010 ENACTED	FY 2011 CR	FY 2012 REQUEST	INCREASE (DECREASE)
Other Discretionary Funds				
Fisherman's Contingency Fund	0	0	\$350	\$350
Foreign Fishing Observer Fund	0	0	(350)	(350)
Promote and Develop American Fisheries	(104,600)	(68,231)	(66,200)	38,400
Pacific Coastal Salmon Recovery Fund	80,000	80,000	65,000	(15,000)
Medicare Eligible Retiree Health Care Fund	1,822	1,822	1,936	114
Total Other Discretionary Funds (Budget Authority - BA)	(\$22,778)	\$13,591	\$736	\$23,514
Total FTE	1	1	1	0

**Budget Trends FY 2006-2012
Other Discretionary Funds (BA)**





OTHER DISCRETIONARY REIMBURSABLE FUNDS

SANCTUARIES ENFORCEMENT ASSET FORFEITURE FUND

Sanctuaries Enforcement Asset Forfeiture Fund receives proceeds from civil penalties and forfeiture claims against responsible parties, as determined through court settlements or agreements, for violations of NOAA sanctuary regulations. Penalties received are held in sanctuary site-specific accounts from year to year as the funds are spent on resource protection within the sanctuary site where the penalty or forfeiture occurred. Funds are expended for resource protection purposes which may include all aspects of law enforcement (from equipment to labor), community oriented policing programs, and other resource protection and management measures such as the installation of mooring buoys or restoration of injured resources.

FISHERIES ENFORCEMENT ASSET FORFEITURE FUND

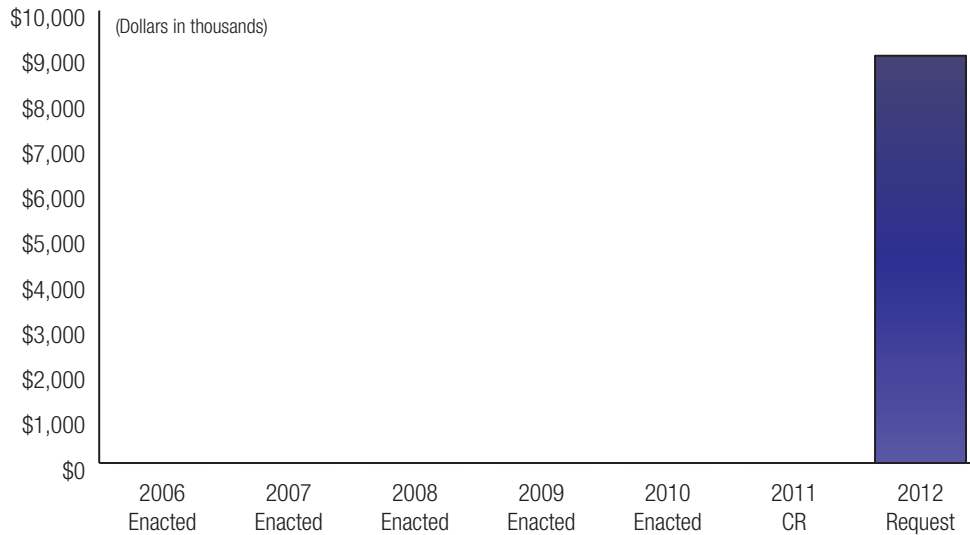
Section 311(e)(1) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) authorizes the Secretary of Commerce (Secretary) to pay certain enforcement-related expenses from fines, penalties and forfeiture proceeds received for violations of the Magnuson-Stevens Act, or of any other marine resource law enforced by the Secretary. Pursuant to this authority, the NOAA has established a Civil Monetary Penalty/Asset Forfeiture Fund (AFF). Certain fines, penalties and forfeiture proceeds received by NOAA are deposited into this fund, and subsequently used to pay for certain enforcement-related expenses. When Congress established the AFF it was deemed appropriate to use these proceeds to offset in part the costs of administering the enforcement program. Expenses such as: costs directly related to the storage, maintenance, and care of seized fish, vessels, or other property during a civil or criminal proceeding; reimbursement to other federal or state agencies for enforcement related services provided pursuant to an agreement entered into with the Secretary; and other limited uses as outlined in NOAA's Asset Forfeiture Fund policy. NMFS Office of Law Enforcement (OLE) manages the AFF, which is used by OLE and NOAA General Counsel for Enforcement and Litigation (GCEL) to pay for enforcement activities. NOAA is proposing language in FY 2012 to create this fund as described above.



OTHER DISCRETIONARY REIMBURSABLE FUNDS

(DOLLARS IN THOUSANDS)	FY 2010 ENACTED	FY 2011 CR	FY 2012 REQUEST	INCREASE (DECREASE)
Other Discretionary Reimbursable Funds				
Sanctuaries Asset Forfeiture Fund	0	0	\$1,000	\$1,000
Fisheries Asset Forfeiture Fund	0	0	\$8,000	\$8,000
Total Other Discretionary Reimbursable Funds (Budget Authority - BA)	0	0	\$9,000	\$9,000

Budget Trends FY 2006-2012
Other Discretionary Reimbursable Funds (BA)





MANDATORY FUNDS

COASTAL ZONE MANAGEMENT FUND

The Coastal Zone Management Fund (CZMF) was established under the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508). The CZMF receives loan repayments (mandatory) from the Coastal Energy Impact Program. In FY 2012 NOAA proposes to permanently cancel all balances in the CZMF and treat any future receipts in accordance with the Federal Credit Reform Act.

DAMAGE ASSESSMENT & RESTORATION REVOLVING FUND

The Damage Assessment and Restoration Revolving Fund (DARRF) was established in 1990 to facilitate oil and hazardous material spill response, damage assessment, and restoration activities for damages to natural resources for which NOAA serves as trustee. The fund receives proceeds from claims against responsible parties, as determined through court settlements or agreements. In FY 1999 and prior years, funds were transferred to the ORF account for the purposes of damage assessment and restoration. Beginning in FY 2000, funds were expended in DARRF and treated as mandatory budget authority.

DARRF facilitates and sustains: (1) natural resource damage assessment while the Departments of Commerce and Justice seek full reimbursement from potentially responsible parties, and (2) restoration, replacement, or acquisition of the equivalent of injured or lost natural resources, including resources of National Marine Sanctuaries and National Estuarine Research Reserves, tidal wetlands, and other habitats for which NOAA is trustee. These program functions are conducted jointly within NOAA by the Office of General Counsel, the National Ocean Service, and the National Marine Fisheries Service.

PROMOTE AND DEVELOP AMERICAN FISHERY PRODUCTS & RESEARCH PERTAINING TO AMERICAN FISHERIES FUND

The American Fisheries Promotion Act (AFPA) of 1980 amended the Saltonstall-Kennedy (S-K) Act to authorize a grants program for fisheries research and development projects to be carried out with S-K funds. S-K funds are derived from a mandatory transfer from the Department of Agriculture to NOAA from duties on imported fisheries products. An amount equal to 30% of these duties is made available to NOAA and, subject to appropriation, is available to carry out the purposes of the AFPA. The S-K grants program has provided substantial assistance to address impediments to the management, development, and utilization of the Nation's living marine resources. Each year a Federal Register notice is published announcing the program. The



annual notice outlines priority areas, such as research on reduction/elimination of bycatch and aquaculture. The remainder of the S-K funds, which are transferred as discretionary funds, are used to offset the appropriation requirements of the Operations, Research, and Facilities account.

FISHERIES FINANCE PROGRAM ACCOUNT

The mandatory component of the Fisheries Finance Program Account (FFP) Account authority is subject to the Federal Credit Reform Act of 1990 (FCRA) (2 U.S.C. 661). The FCRA requires estimated loan costs (FCRA cost) be appropriated in cash at the time Congress authorizes annual credit ceilings. FFP Account loan activity demonstrates that the FCRA subsidy is negative. Statutory authority is found in 46 U.S.C. 1274 and 16 U.S.C. 1801 et seq. FFP Account lending guidelines are found at Title 50, Code of Federal Regulations (CFR), Part 253, subpart B; and tempered by NOAA's sustainable fisheries policy and by the practical considerations of a program that has been self-sustaining throughout its credit history.

FEDERAL SHIP FINANCING FUND

This account manages the loan guarantee portfolio that existed prior to the enactment of the Federal Credit Reform Act of 1990.

ENVIRONMENTAL IMPROVEMENT & RESTORATION FUND

The Environmental Improvement & Restoration Fund (EIRF) was created by the Department of Interior and Related Agencies Appropriations Act of 1998 for the purpose of carrying out marine research activities in the North Pacific. These funds will provide grants to Federal, State, private or foreign organizations or individuals to conduct research activities on or relating to the fisheries or marine ecosystems in the North Pacific Ocean, Bering Sea, and Arctic Ocean.

LIMITED ACCESS SYSTEM ADMINISTRATION FUND

Under the authority of the Magnuson-Stevens Act Section 304(d)(2)(A), NMFS must collect a fee to recover the incremental costs of management, data collection, and enforcement of Limited Access Privilege (LAP) programs. Funds collected under this authority are deposited into the "Limited Access System Administrative Fund" (LASAF). Fees shall not exceed three percent of the ex-vessel value of fish harvested under any such program, and shall be collected at either the time of the landing, filing of a landing report, or sale of such fish during a fishing season or in the last quarter of the calendar year in which the fish is harvested. The LASAF shall be available, without appropriation or fiscal year limitation, only for the purposes of administering the central registry system; and administering and implementing the Magnuson-Stevens Act in the fishery in which the fees were collected. Sums in the fund that are not currently needed for these purposes shall be kept on deposit or invested in obligations of, or guaranteed by the U.S. Also, in establishing a LAP program, a Regional Council can consider, and may provide, if appropriate, an auction system or other program to collect royalties for the initial or any subsequent distribution of allocations. If an auction system is developed, revenues from these royalties are deposited in the LASAF.

WESTERN PACIFIC SUSTAINABLE FISHERIES FUND

Section 204(e) of the 2006 amendments to the Magnuson-Stevens Fishery Conservation and Management Act authorizes the establishment of the Western Pacific Sustainable Fisheries Fund. This fund serves as a repository for any permit payments received by the Secretary of Commerce for foreign fishing within the U.S. EEZ around Johnston Atoll, Kingman Reef, Palmyra Atoll, and Jarvis, Howland, Baker and



Wake Islands, sometimes known as the Pacific Remote Island Areas (PRIA). Also, in the case of violations by foreign vessels occurring in these areas, amounts received by the Secretary attributable to fines and penalties shall be deposited into the fund. Foreign fishing is only allowed through a Pacific Insular Area Fishery agreement. Before entering into such an Agreement, the Western Pacific Fishery Management Council must develop a marine conservation plan that provides details on uses for any funds collected. Marine Conservation Plans must also be developed by the Governors of the Territories of Guam and American Samoa and of the Commonwealth of the Northern Mariana Islands and approved by the Secretary of Commerce or designee. Additionally, any funds or contributions received in support of conservation and management objectives under a marine conservation plan for any Pacific Insular Area other than American Samoa, Guam, or the Northern Mariana Islands shall be deposited in this fund.

NOAA CORPS COMMISSIONED OFFICERS RETIREMENT

The retirement system for the uniformed services provides a measure of financial security after release from active duty for service members and their survivors. It is an important factor in the choice of a career in the uniformed services and is mandated by Federal statutes under Title 10, United States Code. NOAA transfers retirement pay funds to the Coast Guard, which handles the payment function for retirees and annuitants. Health care funds for non-Medicare-eligible retirees, dependents, and annuitants are transferred to the U.S. Public Health Service, which administers the health care program.



OTHER MANDATORY FUNDS

(DOLLARS IN THOUSANDS)	FY 2010 ENACTED	FY 2011 CR	FY 2012 REQUEST	INCREASE (DECREASE)
Other Mandatory Funds				
Coastal Zone Management Fund	(\$1,500)	(\$1,500)	(\$1,500)	\$0
Damage Assessment & Restoration Revolving Fund	3,000	3,300	3,000	0
Promote and Develop American Fisheries Products	113,371	68,231	71,200	(42,171)
Fisheries Finance Program Account	5,777	9,910	0	(5,777)
Federal Ship Financing Fund	(740)	0	0	740
Environmental Improvement & Restoration Fund	506	378	1,467	961
Limited Access System Administration Fund	7,444	8,576	9,675	2,231
Western Pacific Sustainable Fisheries	0	1,000	1,000	1,000
NOAA Corp Commissioned Officers Retirement	26,116	28,269	28,269	2,153
Total Other Mandatory Funds (Budget Authority - BA)	\$153,974	\$118,164	\$113,111	(\$40,863)
Total FTE	20	20	20	0

**Budget Trends FY 2006-2012
Other Mandatory Funds**

