

INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

INTERNATIONAL REVIEW PANEL

WORKING GROUP ON VESSEL ASSESSMENTS AND FINANCING

3RD MEETING

LA JOLLA, CALIFORNIA (USA)

17-18 FEBRUARY 2005

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AIDCP BUDGET FOR 2005 AND 2006

1. BACKGROUND

The IRP has been aware of ongoing issues related to the IDCP funding since its meeting in June 2001. Since that meeting, several proposals have been tabled at IRP and Meetings of the Parties based on discussions coming from the Working Group on Vessel Assessments and Financing.

The 9th Meeting of the Parties in June 2003 adopted Resolution A-03-01 on financing the IDCP (Appendix A). This resolution, *inter alia*, provides: that, as a temporary measure until the measurement of well volume agreed by the IRP in June 2002 is completed, fees will be calculated using a factor of 1.4 for converting the carrying capacity, in metric tons, of all purse-seine vessels on the IATTC Regional Vessel Register to well volume, in cubic meters; that all vessels, including inactive vessels, and regardless of size, shall pay fees; dates when payments are due, with surcharges for late payments; and that part of the of vessel assessments would be paid early for 2004 to finance the 2003 deficit.

Surcharges for late payments were not invoiced until 2005, and all late payments are automatically being assessed a 10% surcharge.

1.1. History of vessel assessments

At the beginning of the IDCP in 1992, the vessel assessment was US\$10 per short ton of carrying capacity, equivalent to US\$9.42/m³. In 1994 this was increased to US\$12 per short ton (US\$11.30/m³) to compensate for the effects of inflation, and to US\$14.17/m³ in 1998 to cover the additional services required with the entry into force of the AIDCP. However, the change from carrying capacity to well volume as the basis of the assessments resulted in a redistribution of the assessments among the fleet and a reduction in the assessment for 1999 to its current level of US\$12.552/m³.

2. TRIAL SETS

In 2004, the Secretariat had insufficient funds to carry out several requested trial sets. In some of those cases, the vessel owner paid the costs and the trial sets were made. To avoid this situation in future, and to ensure that all vessel owners are treated in the same way, the Secretariat proposes that a condition of the Secretariat's participation in a trial set be that the cost of its participation be covered by the vessel owner. This would have a small but beneficial impact on the deficit discussed below.

3. USE OF CARRYING CAPACITY TO ESTIMATE WELL VOLUME

Resolution A-03-01 requires that, until the measurement of well volumes agreed by the IRP at its 30th meeting is completed, vessel assessments be based on calculated well volume, obtained by multiplying the vessel's carrying capacity by 1.4. Several vessel owners are seeking to reduce their vessel's assessments by arguing that the carrying capacity of their vessels is less than that recorded on the IATTC Regional Vessel Register. Two such cases were discussed at the Meeting of the Parties last October; one of those resulted in a reduction of the assessment, exacerbating the deficit. Since then there have been several more such requests. The use of well volume was introduced because, unlike carrying capacity, it is an objective measurement of the capacity of vessels. The Secretariat believes that it will be difficult to

stabilize the situation with vessel assessments as long as they are based on carrying capacity in tons, and recommends that the Working Group consider how to complete the exercise of measuring the well volume of all vessels and use these exclusively as the basis of assessments.

4. FINANCIAL INFORMATION

Table 1 shows actual costs incurred in 2004, and the estimated costs and revenue for the IDCP forecast for 2005-2006. The estimates assume that inflation will increase general costs by 3% and personnel costs by 4%. Revenue for 2005 and 2006 is assumed to be the same as that received in 2004. There are forecast deficits of US\$186,531 and US\$262,070 for 2005 and 2006, respectively. An overall increase of 13% in vessel assessments is necessary to eliminate the expected deficit in 2006.

There were deficits of US\$273,356 and US\$112,560 in 2003 and 2004, respectively, as well as the deficit of US\$221,640 for 2002 to be recovered, a total deficit of US\$607,556. It is proposed that the Working Group consider how this shortfall be recovered in future years.

Table 2 shows the line item detail supporting the summary of actual IDCP expenses for 2004 presented in Table 1.

Table 3 shows details of the allocation of the Secretariat staff's time to the various tasks that they perform in relation to the AIDCP.

5. RECOMMENDATIONS

The Secretariat proposes that the Panel recommend to the Meeting of the Parties that:

1. The costs of the Secretariat's participation in any trial sets be paid by vessel owners;
2. The Working Group propose a timetable to complete the exercise of measuring all well volumes and use these as the basis for vessel assessments;
3. The vessel assessments for 2006 be increased by 13%; and
4. The Working Group recommend steps to repay the current total deficit of US\$607,556 by the end of 2007.

TABLE 1. IDCP: Allocation of costs, 2004-2006.

TABLA 1. PICD: Distribución de costos, 2004-2006.

(US\$)	2004 (actual—reales)	See Table 2 Ver Tabla 2	2005 (projected—proyectados)	2006
COSTS-COSTOS:				
Covered at 70%-Cubiertos al 70%				
Gross costs-Costos brutos:				
Observers (wages, travel, equipment, training) Observadores (sueldos, viajes, equipo, entrenamiento)	1,464,014	A	1,507,934	1,553,172
IATTC scientific staff (part) Personal científico de la CIAT (porción)	768,609	B	799,353	831,327
IATTC field office staff and facilities (part) Personal e instalaciones de las oficinas regionales de la CIAT (porción)	242,794	C	250,078	257,580
Subtotal	2,475,417		2,557,365	2,642,080
70% of/del subtotal	1,732,792		1,790,156	1,849,456
Covered at 100%-Cubiertos al 100%				
Net alignments (travel) Alineamientos de la red (viajes)	11,657	E	12,007	12,367
Seminars for captains and crew (travel) Cursos de entrenamiento para capitanes y tripulantes (viajes)	0	F	1,000	1,030
IATTC administrative staff (part) Personal administrativo de la CIAT (porción)	334,716	G	348,105	362,029
IDCP travel (field office staff) Viajes PICD (personal de oficinas regionales)	16,791	H	17,295	17,814
Meetings of Parties and IRP (including staff travel) Reuniones de las Partes y del PIR (inclusive viajes del personal)	45,491	I	46,856	48,261
Dolphin-safe certification Certificación <i>dolphin safe</i>	0	J	0	0
Subtotal	408,655		425,262	441,501
Total	2,141,447		2,215,418	2,290,957
REVENUE-INGRESOS:				
Total vessel assessments paid Total de cuotas de buques pagadas	2,028,887		2028887	2,028,887
Net alignments Alineamientos de la red				
Dolphin safe certificates Certificados <i>dolphin safe</i>				
Captains seminars Cursos de entrenamiento				
Total	2,028,887		2,028,887	2,028,887
Surplus (deficit) – Superávit (déficit)	<112,560>		<186,531>	<262070>

TABLE 2. IDCP: Detailed expenses, 2004 (US\$).

TABLA 2. PICD: Detalle de gastos, 2004 (US\$).

A	Observers Observadores	1,464,014	Travel—Viajes Salaries and benefits—Sueldos y prestaciones Equipment, forms, misc—Equipo, formularios, misc Training—Entrenamiento	97,600 1,335,595 16,809 14,010
C	IATTC field office staff and facilities (part) Personal e instalaciones de las oficinas regionales de la CIAT (porción)	242,794	Rent & storage (exc. utilities)—Alquiler y almacenamiento (exc. servicios públicos) Telephone—Teléfono Internet services—Servicio de internet Utilities—Servicios públicos Materials & supplies—Materiales y pertrechos Furniture & equipment—Muebles y equipo Equipment repair & maintenance—Reparación y mantenimiento de equipo Postage—Franqueo Printing & reproduction—Imprenta y copiado Meals & entertainment—Sustento y entretenimiento Vehicle (use and maintenance)—Vehículos (uso y mantenimiento). Purchase of vehicle—Compra de vehículo Contract labor—Mano de obra por contrato Contract labor (taxes)—Mano de obra por contrato (impuestos) Legal & professional fees—Honorarios legales y profesionales Property insurance—Seguros de propiedad Vehicle insurance—Seguros de vehículos Tax, license, fees & permits—Impuestos, licencias, cuotas y permisos	9,191 14,643 764 3,577 5,875 1,506 1,190 14,769 9,696 9,521 10,728 13,122 123,966 14,222 3,052 701 4,821 1,450
B	IATTC scientific staff (part) Personal de sede de la CIAT (porción)	768,609		
G	IATTC administration staff (part) Administración CIAT (porción)	334,716		
	Subtotal	1,103,325	Gross wages—Sueldos brutos FICA taxes—Impuestos de seguro social Retirement plan—Plan de retiro Group insurance—Seguro colectivo	885,007 67,703 87,300 63,315
E	Travel related to net alignments Viajes relacionados con alineamientos de la red	11,657		
F	Travel related to seminars for captains and crew Viajes relacionados con cursos de entrenamiento para capitanes y tripulantes	0		
H	Other direct IDCP costs—Otros costos directos del PICD	16,791		
I	Travel related to Meetings of Parties and other AIDCP meetings Viajes relacionados con Reuniones de las Partes y otras del APICD	45,491		
J	Dolphin-safe certification Certificación <i>dolphin safe</i>	0		
	Total	2,884,072		

TABLE 3: IATTC staff time dedicated to AIDCP activities.

TABLA 3: Tiempo del personal de la CIAT dedicado a actividades del APICD.

B. Scientific staff (part) -- Personal científico (parte): US\$768,609			%
Scientific staff Personal científico	Chief Scientist Científico Jefe	Meeting preparation and attendance – Reuniones: preparación y asistencia	20
		Captain seminars – Seminarios de capitanes	11
		Correspondence—Correspondencia	24
		Database reporting – Informes sobre bases de datos	5
	Total	60	
2 staff-personas	Statistical analyses of observer data – Análisis estadísticos de datos de observadores	5	
	Preparation of documents for meetings – Preparación de documentos para reuniones	5	
Total		10	
Secretarial Secretaría	1 staff-persona	Secretarial support—Apoyo de secretaría	60
Observer and data management Manejo de observadores y datos	11 staff-personas	Captain seminars – Seminarios de capitanes	1
		Trial sets – Lances de prueba	2
		Observer database maintenance and reporting – Mantenimiento de base de datos de observadores e informes	30
		Meeting preparation and attendance – Reuniones: preparación y asistencia	4
		Maintenance of tuna tracking and dolphin safe systems – Mantenimiento de sistemas de seguimiento de atún y <i>dolphin safe</i>	2
		Observer training, management, and field manual – Observadores: entrenamiento, manejo y manual	13
		Correspondence—Correspondencia	7
		Data entry – Captura de datos	14
		IRP database (captains, infractions) – Base de datos del PIR (capitanes, infracciones)	8
Total	80		
G. Administrative staff -- Personal administrativo: US\$334,716			
Director			28
Policy Política	2 staff-personas	Correspondence--Correspondencia	18
		Meeting preparation and attendance – Reuniones: preparación y asistencia	15
		Preparation of minutes – Preparación de actas	7
		Dolphin Safe issues – Asuntos <i>dolphin safe</i>	5
		Miscellaneous, including implementation of resolutions (tuna tracking plans; non-party and other compliance issues; etc.) – Miscelánea, incluye instrumentación de resoluciones (planes de seguimiento de atún, cumplimiento por no partes y otras cuestiones de cumplimiento, etc)	5
Total	50		
Computer support staff Personal de apoyo en informática		Maintenance of computer hardware and operating system – Mantenimiento de computadores y sistema operativo	14
		Web site and illustrations – Sitio de internet y gráficas	7
		Database programming – Programación de bases de datos	8
		Others -- Otros	1
Total	32		
Editing and translation Redacción y traducción	2 staff-personas	Preparation of correspondence and documents – Preparación de correspondencia y documentos	28
Support services not charged to the AIDCP – Servicios de apoyo no cobrados al APICD			
Accounting and personnel Contabilidad y personal	2 staff-personas		
Director's secretaries Secretarías del Director	2 staff-personas		

Appendix A.

AGREEMENT ON THE INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

9TH MEETING OF THE PARTIES

ANTIGUA (GUATEMALA)
25 JUNE 2003

RESOLUTION A-03-01

RESOLUTION ON VESSEL ASSESSMENTS AND FINANCING

The Parties to the Agreement on the International Dolphin Conservation Program:

Notwithstanding the relevant provisions of the *Resolution on Financing the IDCP* of 10 October 2002;

Agree:

1. In congruence with the decision to modify the reference system for vessel measurement from metric tons to cubic meters for the purposes of the payment of the vessel assessments for the observer program temporarily, and until the measurement of well volume agreed by the IRP at its 30th meeting in June 2002 is completed, a factor of 1.4 will be applied to convert the carrying capacity, in metric tons, of all purse-seine vessels on the IATTC Regional Vessel Register (the Register) to well volume, in cubic meters.
2. All vessels required by the AIDCP to carry observers shall be assessed US\$12.552 per cubic meter of calculated well volume.
3. All vessels not required by the AIDCP to carry observers but included in the *Active Purse-Seine Capacity List* of the Register shall be assessed as follows.

	IATTC size class				
	1	2	3	4	5
Per m ³ (US\$)	1.00	2.00	3.00	4.00	5.00

4. Vessels on the *Inactive and Sunk Purse-Seine Capacity List* of the Register, excepting sunk vessels, shall be assessed US\$1.00 per cubic meter of calculated well volume.
5. All vessels contemplated in paragraph 2 that request a DML for a given year shall pay the required assessment by October 1 of the preceding year, pursuant to the AIDCP.
6. All vessels contemplated in paragraph 2 that do not request a DML for a given year shall pay the required assessment by December 1 of the preceding year.
7. Any of the vessels contemplated in paragraph 12 of the IATTC *Resolution on the capacity of the tuna fleet operating in the eastern Pacific Ocean* of June 2002 that may fish in the EPO shall pay the rate established for vessels covered in paragraph 2 of this resolution before entering the EPO to fish.
8. Any vessel covered by this resolution but not contemplated in paragraph 2 shall pay the required assessment by December 1 of the preceding year.
9. Any vessel that does not pay the required assessment by the corresponding date shall be required to pay a surcharge of 10% of the assessment, additional to any sanction contemplated in Annex IV of the AIDCP.
10. Unless the Parties decide otherwise, the annual increase in the fixed costs of the IDCP shall not in-

crease by more than the rate of inflation in the United States of America in the previous year.

11. All assessments will be reviewed in 2005 with the aim of balancing the budget in that year.
12. Notwithstanding paragraphs 5 and 6 of this resolution, in 2003 only, each Party shall elect one of the following two alternatives for payment of the vessel assessments for its fleet:
 - a. All vessels contemplated in paragraph 2 that:
 - i. request a DML for 2004 shall pay the required assessment by August 15, 2003.
 - ii. do not request a DML for 2004 shall pay the required assessment by September 15, 2003.

or

- b. All Class 6 vessels shall pay, by August 15, 2003, a supplementary assessment of US\$1.74 per cubic meter of well volume. The amount of any such supplementary assessment for 2003 paid by a vessel shall be deducted from the assessment due from that vessel for 2004 under paragraph 2 of this resolution.