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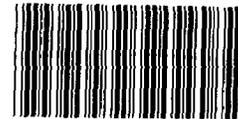
REPORT BY THE U.S.

# General Accounting Office

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## Uses Of Saltonstall/Kennedy Fisheries Development Funds

Under the Saltonstall/Kennedy Act, over the past 6 years about \$187 million from customs duties on imports of fishery products has been made available to the Secretary of Commerce for promoting and developing American fisheries. This report discusses how Commerce's National Marine Fisheries Service has used the bulk of these funds and presents agency program officials' and industry representatives' views on the resulting benefits to the U.S. fishing industry.



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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

RESOURCES, COMMUNITY,  
AND ECONOMIC DEVELOPMENT  
DIVISION

B-219467

The Honorable John B. Breaux  
Chairman  
The Honorable Don Young  
Ranking Minority Member  
Subcommittee on Fisheries and Wildlife  
Conservation and the Environment  
Committee on Merchant Marine and  
Fisheries  
House of Representatives

As requested in the Subcommittee's January 26, 1984, request and subsequent conversations with Subcommittee offices, this report discusses the uses of Saltonstall/Kennedy fisheries development funds by the National Marine Fisheries Service and its grantees. The report discloses how the funds are being spent and provides agency and industry views on the resulting benefits to the U.S. fishing industry.

As arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of the report until 2 days from the report's date. At that time we will send copies to interested parties and make copies available to others upon request.



J. Dexter Peach  
Director



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**EXECUTIVE SUMMARY**

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Under the Saltonstall/Kennedy (S/K) Act, over the past 6 years a total of about \$187 million has been made available to the Department of Commerce for promoting and developing American fisheries. In response to a congressional request to provide information on which to judge the relative benefits of funding fisheries research and development through S/K grants to industry and others or through Commerce's fisheries development programs, GAO obtained

--data on S/K fund amounts, recipients, and uses; and

--agency and industry views on the relative usefulness of grant projects and Commerce's fisheries development projects at in-house laboratories.

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**BACKGROUND**

Under the 1954 S/K Act, 30 percent of the duties on imported fishery products are made available to help promote and develop fishery products and to conduct technological, biological, and other research pertaining to American fisheries. Until fiscal year 1979, Commerce used nearly all of the S/K funds to support fisheries management and development activities, and small amounts were granted to industry for fisheries development projects. In fiscal year 1979, Commerce targeted S/K grants to help the domestic fishing industry use priority fishing rights over foreigners fishing in the 200-mile fishery conservation zone off the U.S. coasts. In 1980, the Congress amended the S/K Act to require that portions of the S/K funds be used for grants and the balance for fisheries development not adequately covered by the grant projects.

Commerce has identified its Fisheries Development Program as the principal activity for carrying out this additional fisheries development required by the 1980 act. GAO's examination of fund recipients and how fund monies were used focused on activities of the S/K Grants Program and the Fisheries Development Program. (See pp. 1 to 4.)

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**EXECUTIVE SUMMARY**

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**RESULTS IN  
BRIEF**

In fiscal year 1984, \$11.1 million of S/K grants were awarded to various grant recipients:

<u>Recipients</u>	<u>Amount</u> (millions)
Fisheries development foundations	\$5.7
Industry firms	3.7
State and local governments	0.7
Universities	1.0

According to agency program officials, these grants supported research generally addressing issues of immediate concern to the fishing industry. Such issues included fish harvesting, seafood quality improvements, domestic and foreign market development, efficiency and productivity improvements, and the costs/profitability of potential fishing industry investments. (See pp. 6 to 12 and 15.)

The Fisheries Development Program was funded at \$11.0 million in fiscal year 1984. Indirect costs accounted for \$1.8 million and direct costs were \$9.2 million. Indirect costs were agency overhead costs allocated to the program. Direct costs of \$4.2 million supported various administrative, management, and market activities of headquarters program offices and regional offices. The remaining \$5 million went to four Commerce laboratories that research and develop seafood quality and safety issues and fish harvesting and processing technologies. Some of the in-house laboratory projects addressed issues also addressed by grant projects, but the in-house projects generally focused on longer term, more basic research than did the grant projects. (See pp. 12 to 15.)

Agency program officials viewed the two programs to be complementary and told GAO that both programs' projects provided useful results to the fishing industry. Industry representatives, more familiar with the grant projects, generally viewed them to be more useful than the research projects carried out at the in-house laboratories. (See pp. 27 to 32.)

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**EXECUTIVE SUMMARY**

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**GAO ANALYSIS****Grants to  
Foundations**

The largest category of S/K grant recipients, fisheries development foundations, are nonprofit entities representing the fishing industry in seven geographic regions. The \$5.7 million awarded to these regional foundations in fiscal year 1984 was as follows:

<u>Regional foundations</u>	<u>Amount</u> (millions)
Alaska	\$1.3
Great Lakes	0.1
Gulf & South Atlantic	1.4
Mid-Atlantic	1.0
New England	0.5
Pacific	0.6
West Coast	0.8

GAO obtained additional information on the functions and costs supported at four of these foundations. The Alaska Foundation focuses its activities on product development, particularly surimi (minced fish). The Mid-Atlantic Foundation concentrates on marketing. The New England Foundation emphasizes fisheries use and seafood quality improvement. Finally, the West Coast Foundation focuses on developing underused fish species and their markets. (See pp. 6 to 12.)

**In-house  
Laboratory  
Projects**

Commerce's laboratories in Charleston, South Carolina; Gloucester, Massachusetts; and Seattle, Washington, are the principal entities carrying out research and development under the Fisheries Development Program. GAO examined the tasks funded in fiscal year 1984 at the Gloucester and Seattle laboratories. The Gloucester laboratory was carrying out studies dealing with generating consumer safety, quality, and nutrition data; improving fish harvesting, processing, and distribution; and increasing underused species consumption. The Seattle laboratory was researching botulism and seafood sodium content and generally developing and improving the fishery resource. (See pp. 12 to 15 and apps. VII and VIII.)

**Agency Officials'  
Views**

Agency officials responsible for the two programs told GAO that if one program discontinued its activities, the void would then need to be filled

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**EXECUTIVE SUMMARY**

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by the other. They did not express a view as to whether one program was more beneficial than the other. The complementary benefits seen by the agency officials can be illustrated by the views provided by one laboratory director, who said that the fishing industry would use the most profitable methods known to be available. This official stated that in-house laboratories should, therefore, develop improved harvesting and processing methods for improving seafood product quality and that the fishing industry, using S/K grants, should "educate the consumer that higher quality fish are worth higher prices." (See pp. 15 and 28.)

**Industry  
Representatives'  
Views**

Generally, the more familiar industry representatives were with the projects, the more useful they perceived the projects to be. Conversely, when they were not familiar with the projects, they tended to perceive little or no benefit. The industry representatives were more familiar with grant projects than with in-house laboratory projects and the majority perceived that S/K grant projects provide more useful results to the fishing industry. (See pp. 28 to 32.)

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**RECOMMENDATIONS**

GAO is making no recommendations.

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**AGENCY COMMENTS**

GAO did not ask the Department of Commerce to officially review and comment on a draft of this report. However, the views of directly responsible program officials were sought during the course of the work and are incorporated in the report where appropriate.

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#### ABBREVIATIONS

GAO	General Accounting Office
NMFS	National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration
S/K	Saltonstall/Kennedy
SKIMS	Saltonstall/Kennedy Information Management System



## CHAPTER 1

### INTRODUCTION

Thirty percent of the Department of Agriculture's gross receipts from customs duties on imports of fishery products are made available to the Secretary of Commerce for fishery programs under the Saltonstall/Kennedy (S/K) Act (15 U.S.C. 713c-3). Under this 1954 act, as amended, S/K funds can be used to help promote and develop fishery products and to conduct technological, biological, and other research pertaining to American fisheries.

### HISTORICAL PERSPECTIVE ON SALTONSTALL/KENNEDY FUNDS

From enactment through the mid-1970's, the amount of S/K funds made available to the Secretary of Commerce was relatively small. At the time of enactment in 1954, 30 percent of the gross receipts on imported fish products amounted to \$4.3 million. In the early- and mid-1970's, S/K funds made available to Commerce amounted to about \$7 million to \$10 million annually and increased to \$13 million in fiscal year 1978. As we previously reported,<sup>1</sup> until fiscal year 1979, Commerce's National Oceanic and Atmospheric Administration (NOAA) used nearly all of the S/K funds to support National Marine Fisheries Service (NMFS) fisheries management and development activities.

In fiscal year 1979, the amount of S/K funds increased to \$17.4 million and NMFS identified the S/K Grants Program as a primary vehicle to help the domestic fishing industry use priority fishing rights provided by the Magnuson Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801). This act established the 200-mile fishery conservation zone and gave the domestic fishing industry priority fishing rights over foreigners fishing in that zone. To help the domestic fishing industry take advantage of those priority fishing rights, in fiscal year 1979 NMFS made a little more than \$8 million available for fisheries-development projects. Of this amount, about one-third was allocated to NMFS in-house activities and the remaining two-thirds for grants to nonprofit regional fisheries-development foundations, private industry, universities, and state and local governments.

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<sup>1</sup>Developing Markets For Fish Not Traditionally Harvested by the United States: The Problems and the Federal Role (CED-80-73, May 7, 1980).

The American Fisheries Promotion Act of 1980 (Public Law 96-561, December 22, 1980) amended the S/K Act to require the Secretary of Commerce to use portions of the S/K funds to provide financial assistance grants to industry for fisheries development projects. S/K funds not used for grants are to be used by the Secretary to implement a national fisheries research and development program addressing aspects of American fisheries development not adequately covered by the grant projects. Numerous NMFS programs address various aspects of managing, developing, and using fishery resources. From these, NOAA has identified NMFS's in-house Fisheries Development Program as the principal activity for carrying out the additional fisheries development required by the 1980 act.

#### OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with a letter dated January 26, 1984, from the Chairman and the Ranking Minority Member, Subcommittee on Fisheries and Wildlife Conservation and the Environment, House Committee on Merchant Marine and Fisheries, and with subsequent discussions with Subcommittee offices, our overall objective was to provide information on which the Subcommittee could weigh the relative benefits of funding fisheries research and development through S/K grants to industry or through NMFS's in-house Fisheries Development Program. We specifically agreed to

- identify S/K funding authorizations, including amounts for grants and for in-house research and development;
- identify S/K grant recipients by category (industry, foundations, universities, and state/local agencies);
- identify the types of functions and costs supported with S/K funds at selected NMFS in-house laboratories and grantees;
- examine NMFS' processes for achieving project usefulness by testing procedures for awarding and allocating funds, monitoring projects, and disseminating project results; and
- obtain agency and industry views on the usefulness of fisheries research and development projects.

We conducted our work primarily at NMFS headquarters in Washington, D.C., and at the following NMFS field activities: Alaska Region, Juneau, Alaska; Northeast Region, Gloucester, Massachusetts; Northwest Region, Seattle, Washington; Northeast Fisheries Center, Woods Hole, Massachusetts; and Northwest and Alaska Fisheries Center, Seattle, Washington. We also visited the NMFS Southeast Region, St. Petersburg, Florida, where we obtained overview information on its use of S/K funds. In fiscal year 1984 the four regions we visited were responsible

for administering \$6.8 million, or 61 percent of the \$11.1 million in S/K grants awarded to industry. The two centers we visited each operate a NMFS in-house research utilization laboratory and accounted for over half of the Fisheries Development Program funds spent by such laboratories in fiscal year 1984. In addition, we visited various judgmentally selected grantees, such as regional fisheries foundations, in each of the geographical areas in which we conducted audit work. A listing of the principal places we visited is presented in appendix I.

At each of the organizations visited, we interviewed officials responsible for carrying out the grant and/or in-house projects and reviewed documents they provided. We also examined pertinent legislation, regulations, policies and procedures, grant documents, and budgeting and accounting records. From the budgeting and accounting records we identified the amounts authorized for S/K grants and in-house fisheries research and development, the S/K grant recipients by category, and the types of functions and costs supported with S/K grant funds and in-house fisheries research and development funds.

We examined the processes for selecting, monitoring, and disseminating results of research and development projects to obtain information on project usefulness. To test the adequacy of the project selection process, we examined the Alaska, Northeast, and Northwest Regions' methods used for grant awards and fund allocations in fiscal year 1984. To test the adequacy of project monitoring procedures, we examined the monitoring of seven judgmentally selected projects. To test the dissemination of project results, we examined 10 judgmentally selected completed projects involving the various types of research results (a written report, the development of equipment or machinery, and trade shows/seminars for fishery market development). We did not evaluate or compare the usefulness of the projects and are not expressing a view on the merits of either the S/K grants or in-house laboratory projects.

We interviewed NMFS program officials to obtain their views on the usefulness of the research and development projects and developed questionnaires to obtain industry's views. We developed and administered separate questionnaires for industry trade associations; industry as well as agency and other reviewers of S/K grant project proposals for fiscal years 1982, 1983, and 1984; and the seven regional fisheries development foundations. A more detailed description of our objectives, scope, and methodology for these questionnaires is presented in appendix II and a list of the industry associations responding is included as appendix III. Summaries of the questionnaire responses by the industry associations, grant proposal reviewers, and regional fisheries development foundations are presented in appendixes IV, V, and VI, respectively.

Our fieldwork was done from April 1984 to April 1985 and was performed in accordance with generally accepted government auditing standards. The views of directly responsible officials were sought during the course of our work and are incorporated in the report where appropriate. In accordance with the requesters' wishes, we did not ask the Department of Commerce to review and officially comment on a draft of this report.

## CHAPTER 2

### SALTONSTALL/KENNEDY FUNDS SUPPORT THE S/K GRANTS AND FISHERIES DEVELOPMENT PROGRAMS

NMFS uses S/K funds to support fisheries development activities under the S/K Grants Program and Fisheries Development Program. Over the past 6 years, total funding of the S/K Grants Program has been \$58.4 million. Under this program, NMFS funds fisheries development grant projects carried out by fisheries development foundations, industry firms, universities, and state and local governments. According to NMFS program officials, S/K grants focus on short-term projects, generally addressing issues of immediate concern to industry. Funding of the Fisheries Development Program totaled \$55.2 million over the 6-year period. Under this program, NMFS conducts fisheries research and development at its in-house research utilization laboratories. According to NMFS program officials, this in-house program generally focuses on longer term, more basic research. NMFS officials responsible for the two programs told us that the research programs are complementary and both merit funding.

#### S/K FUND AMOUNTS

For fiscal years 1980 through 1985, the amount of S/K funds made available to the Secretary of Commerce totaled \$187 million. The following table summarizes how those funds have been allocated for use.

Table 2.1: S/K Fund Allocations: Fiscal Years 1980-85

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>6-year total</u>
	-----millions-----						
Industry grants	\$13.7	\$ 9.5	\$ 8.2	\$ 8.0	\$10.0	\$ 9.0	\$ 58.4
In-house fisheries development	8.0 <sup>a</sup>	8.0	8.0	8.5	11.0	11.7	55.2
Other NOAA activities <sup>b</sup>	<u>5.0</u>	<u>17.5</u>	<u>10.0</u>	<u>14.1</u>	<u>12.6</u>	<u>14.2</u>	<u>73.4</u>
Total available	<u>\$26.7</u>	<u>\$35.0</u>	<u>\$26.2</u>	<u>\$30.6</u>	<u>\$33.6</u>	<u>\$34.9</u>	<u>\$187.0</u>

<sup>a</sup>Estimated by NMFS budget staff.

<sup>b</sup>Each year the Congress has transferred funds to NOAA's operating account, which supports various NOAA activities including fisheries programs as well as other ocean and atmospheric programs.

As the table shows, the amounts of S/K funds made available to the Secretary of Commerce have remained relatively constant over the past 6 years. In-house fisheries development funding increased in recent years, while amounts for industry grants have decreased from the \$13.7 million funded in fiscal year 1980.

For fiscal year 1986, NOAA estimated that \$40 million of S/K funds will be made available to the Secretary. The administration has proposed that all \$40 million be transferred to NOAA's operating account. The S/K Program director pointed out that if this occurred, the S/K Grants Program would no longer be funded and therefore would cease to exist.

### S/K GRANTS PROGRAM

The objectives of the S/K Grants Program are to maintain and strengthen traditional fisheries that are currently being harvested and to provide for increased use of underused or non-traditional fish species. Non-traditional fish species are those that are not developed to their full commercial potential. Research activities supported by S/K grants include harvesting, seafood quality enhancement and control, domestic and foreign market development, efficiency and productivity, and the costs/profitability of potential fishing industry investments. During fiscal years 1980 through 1984, NMFS awarded \$47.7 million of S/K grants to four categories of recipients. Recipients of S/K grants include fisheries-development foundations, fishing industry firms, state and local governments, and universities. During this period, fisheries-development foundations have been awarded \$28.9 million, or about 61 percent of the total S/K grant amount awarded.<sup>1</sup> The dollar amounts awarded and the percentage of dollars awarded for each category of S/K grant recipient for fiscal years 1980 through 1984 are presented in the following figure and table.

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<sup>1</sup>Grant amounts awarded each year by NMFS do not necessarily match with the amounts of budget authority made available each year. The Saltonstall/Kennedy Act allows NMFS to carry over unobligated budget authority for use in subsequent years.

**Figure 2.1: S/K Grants Program Recipients: Fiscal Years 1980-84**

70 Percentage of total dollars

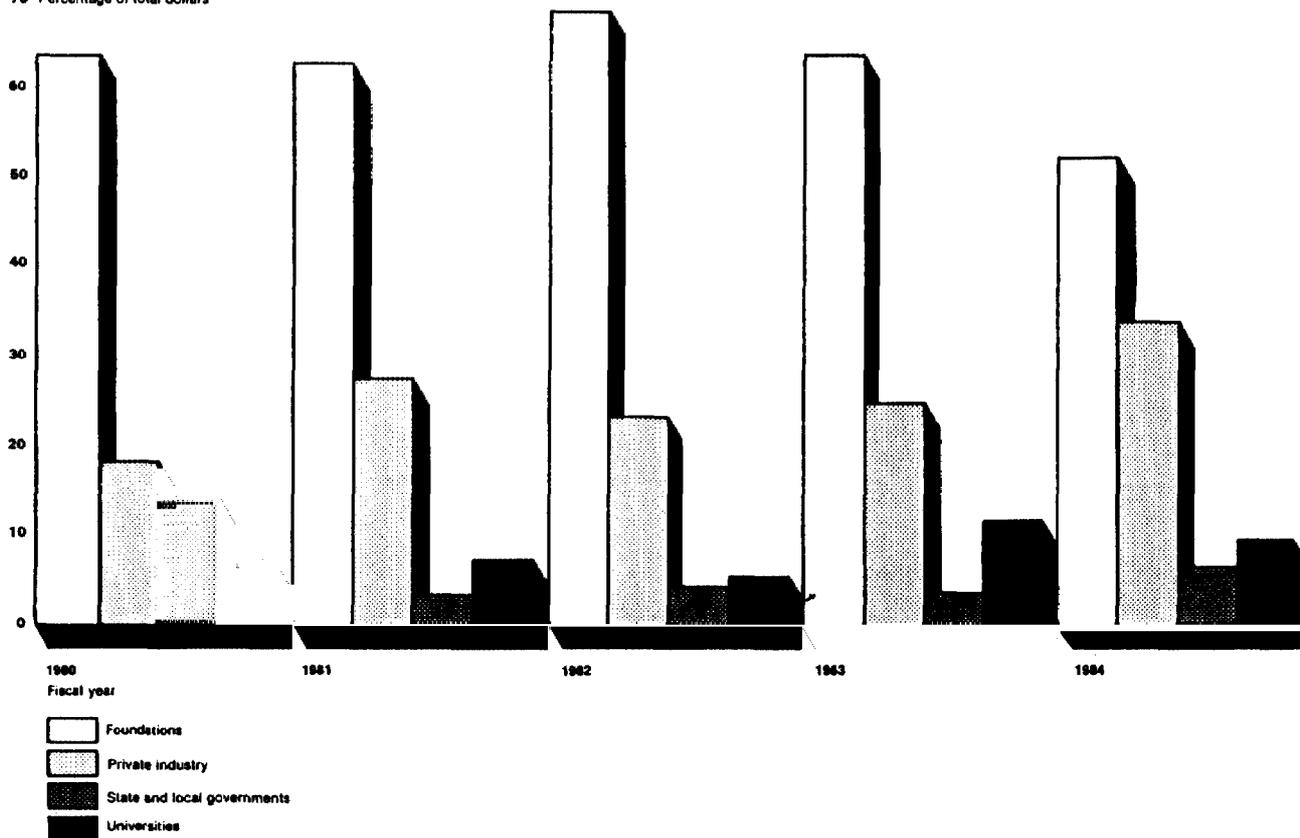


Table 2.2: Amounts Awarded to S/K Grants Program Recipients: Fiscal Years 1980-84

<u>Fiscal year</u>	<u>Private industry</u>	<u>Regional fisheries-development foundations</u>	<u>Universities</u>	<u>State/local governments</u>	<u>Total<sup>a</sup></u>
-----millions-----					
1980	\$2.2	\$7.3	\$0.7	\$1.7	\$11.9
1981	2.4	5.6	.6	.2	8.8
1982	1.9	5.5	.4	.4	8.1
1983	1.9	4.8	.9	.2	7.8
1984	<u>3.7</u>	<u>5.7</u>	<u>1.0</u>	<u>.7</u>	<u>11.1</u>
5-year total	<u>\$12.1</u>	<u>\$28.9</u>	<u>\$3.6</u>	<u>\$3.2</u>	<u>\$47.7</u>

<sup>a</sup>Amounts may not add due to rounding.

Fisheries development foundations' functions and costs

S/K grants support regional fisheries-development foundations' operations and fisheries-development projects. These foundations are nonprofit entities representing the fishing industry in their respective geographic regions. The total amounts awarded the seven regional fisheries development foundations in fiscal year 1984 are shown below.

Table 2.3: Amounts Awarded to Regional Fisheries Development Foundations: Fiscal Year 1984

<u>Regional Fisheries Development Foundations</u>	<u>Amount (millions)</u>
Alaska	\$1.3
Great Lakes	0.1
Gulf & South Atlantic	1.4
Mid Atlantic	1.0
New England	0.5
Pacific	0.6
West Coast	<u>0.8</u>
Total	<u>\$5.7</u>

We obtained information on the functions and costs supported at four regional development foundations. The Alaska Fisheries Development Foundation is in a region where a large amount of underused resources is found and focuses its activities on product development, particularly surimi (minced fish). The Mid-Atlantic Fisheries Development Foundation is centered in a region where large markets are found and concentrates on marketing. The New England Fisheries Development Foundation is concerned with the industry's ability to maximize production and emphasizes fisheries use and quality improvement. The West Coast Fisheries Development Foundation undertakes technical research for developing underused species and market development work.

The foundations provided the following information on program and administrative disbursements:

Alaska Fisheries Development Foundation

The Alaska Fisheries Development Foundation, in its annual reports, accounts for its disbursements in two general categories: programs and administration. In the annual reports for fiscal years 1981 through 1984, these disbursements were reported as follows:

Table 2.4: Disbursements by the Alaska Fisheries Development Foundation: Fiscal Years 1981-84

Disbursement category	Fiscal year			
	1981	1982	1983	1984
Programs	\$596,923	\$1,033,321	\$ 972,249	\$ 714,300
Administration	<u>335,963</u>	<u>385,943</u>	<u>407,563</u>	<u>441,520</u>
Total	<u>\$932,886</u>	<u>\$1,419,264</u>	<u>\$1,379,812</u>	<u>\$1,155,820</u>

In fiscal year 1984, the \$714,300 categorized as programs was disbursed among nine projects. These projects were primarily for developing the Alaskan groundfish industry. The \$441,520 in the administration category was primarily for foundation salaries and benefits.

Mid-Atlantic Fisheries Development Foundation

The Mid-Atlantic Fisheries Development Foundation also accounts for its S/K grant funds disbursements by the two categories: programs and administration. Disbursements of S/K grant funds for fiscal years 1981 through 1984 were as follows:

**Table 2.5: Disbursements by the Mid-Atlantic Fisheries  
Development Foundation: Fiscal Years 1981-84**

Disbursement category	Fiscal year			
	1981	1982	1983	1984
Programs	\$203,839	\$293,240	\$301,615	\$570,655
Administration	<u>117,304</u>	<u>141,732</u>	<u>151,440</u>	<u>157,667</u>
Total	<u>\$321,143</u>	<u>\$434,972</u>	<u>\$453,055</u>	<u>\$728,322</u>

In fiscal year 1984, the \$570,655 for programs was for 15 projects. These projects primarily dealt with seafood marketing. The \$157,667 for administration was for costs such as salaries, office rent, travel, and professional fees.

**New England Fisheries Development Foundation**

The New England Fisheries Development Foundation also splits its S/K grant funds disbursements into two categories: projects and administration. For fiscal years 1981 through 1984, these disbursements were as follows:

**Table 2.6: Disbursements by the New England Fisheries  
Development Foundation: Fiscal Years 1981-84**

Disbursement category	Fiscal year			
	1981	1982	1983	1984
Projects	\$ 94,466	\$372,872	\$465,190	\$502,982
Administration	<u>142,376</u>	<u>248,481</u>	<u>209,944</u>	<u>249,218</u>
Total	<u>\$236,842</u>	<u>\$621,353</u>	<u>\$675,134</u>	<u>\$752,200</u>

In fiscal year 1984, the \$502,982 was disbursed among ten projects, with the largest concentration of funds for New England seafood market development and seafood quality projects. Almost half of the disbursements charged to administration were for salaries and the balance was for items such as office rent, travel, workshops, seminars, printing and advertising, and utilities.

**West Coast Fisheries Development Foundation**

The West Coast Fisheries Development Foundation accounts for its disbursements in two general categories: project accounts and foundation general and administrative. In the

annual reports for fiscal years 1981 through 1984, these disbursements were reported as follows:

Table 2.7: Disbursements by the West Coast Fisheries Development Foundation: Fiscal Years 1981-84

<u>Disbursement category</u>	<u>Fiscal year</u>			
	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Project accounts	\$547,366	\$419,812	\$303,328	\$315,128
Foundation general and administrative	<u>172,986</u>	<u>311,696</u>	<u>570,078</u>	<u>520,846</u>
Total	<u>\$720,352</u>	<u>\$731,508</u>	<u>\$873,406</u>	<u>\$835,974</u>

In fiscal year 1984, the \$315,128 in the category project accounts was disbursed among 12 projects, primarily those developing underused fish species. The foundation general and administrative category accounted for about 62 percent of the fiscal year 1984 disbursements and included cost for employee pay and benefits (\$150,199), contracting and consulting services (\$167,138), travel (\$54,166), printing (\$36,945), trade shows (\$29,996), and various categories of general support (\$82,402). The foundation's office manager told us that not all of the costs categorized as general and administrative are administrative overhead. This official explained that much of these costs related directly to specific foundation activities, such as printing promotional materials and attending trade shows. According to this official, only \$110,464 of the \$520,846 was for administrative overhead.

Functions and costs charged by other selected S/K grantees

To obtain information on the functions and costs charged by other selected grantees, we examined the disbursements for six projects in the NMFS Northwest and Alaska Regions. We judgmentally selected 1983 projects in the Northwest Region conducted by a university, an industry firm, and a state agency; and 1984 projects in the Alaska Region conducted by a university, an industry association, and a state agency. The projects were:

Table 2.8: Projects Examined by GAO

<u>Grantee</u>	<u>Project title</u>	<u>Grant amount</u>
Oregon State University	Economic viability of harvesting sea urchins	\$ 40,982
University of Alaska	Quality assurance education	112,570
National Environmental Services, Inc.	Evaluation of the haul seine for commercial shad harvest	36,580
Pacific Seafood Processors Association	Full Americanization of the fisheries of the northeast Pacific	250,000
Washington State Department of Fisheries	Public education for the recreational shellfish fishery	26,060
Alaska Seafood Marketing Institute, State of Alaska	Alaska pollock promotion and education	321,000

For the six projects we noted that the S/K funds were primarily for direct project costs, with only one grantee identifying an overhead expense. The costs of the two university projects were primarily for salaries and expenses. One university included overhead expense equaling 30 percent of its project costs, while the other did not identify any project overhead expense. The industry firm's principal disbursements were for salaries and equipment rental. The industry association disbursed the largest share of its award funds to subcontractors. One state agency used its funds primarily for salaries and subcontractors, while the other state agency spent its project funds for marketing materials such as posters and recipes and for promotional activities such as radio advertisements, newspaper releases, and mailings of brochures.

NMFS IN-HOUSE FISHERIES DEVELOPMENT

The objective of the Fisheries Development Program is to achieve optimum use of fisheries resources by assisting the U.S. fishing industry to overcome impediments to developing underused species while enhancing the value and productivity of fish traditionally harvested by U.S. fishermen. In fiscal year 1984, the program was funded at \$11 million. The program has two major cost components: indirect and direct program costs. Indirect costs are generally NOAA and NMFS overhead costs allocated to the program. Direct program costs are incurred at

two NMFS headquarters offices, five regional offices, and four laboratories. One of these laboratories, the National Seafood Inspection Laboratory, Pascagoula, Mississippi, is primarily concerned with seafood quality and safety. The other three laboratories are involved in activities related to both seafood quality and safety and fisheries development issues.

The table on the following page summarizes the fiscal year 1984 funding of the Fisheries Development Program by organization and includes a brief description of the functions supported.

**Table 2.9: Fisheries Development Program Fiscal Year 1984**  
**Functions and Costs by Organization**

	<u>Amount</u> (millions)	<u>Description of function</u>
<u>Indirect costs</u>	\$1.8	Overhead costs allocated to the program.
NOAA	0.5	General operations of NOAA in support of the Fisheries Development Program, such as NOAA budget staff time spent on the program's budget.
NMFS	1.3	General operations of NMFS in support of the program, such as NMFS budget staff time spent on the program's budget. This also includes indirect costs incurred at NMFS field organizations carrying out portions of this program.
<u>Direct program costs</u>	9.2	Costs associated with the direct operation of the program.
NMFS Office of Industry Services	1.3	The principal function of this office is to develop, manage, direct, and evaluate all operational aspects of NMFS research and development and use of living marine resources. This office is involved in negotiations with foreign governments, interagency coordination, development grants management, and domestic market activities.
NMFS Office of Utilization Research	1.2	This office serves as the principal source of advice and guidance to the NMFS Deputy Assistant Administrator for Science and Technology on matters relating to quality and safety and the use of living marine resources.
NMFS Regional Offices		
Alaska	0.2	The regions provide oversight of regional activities; financial services; statistics and market news; marketing and development; and S/K Grants Program coordination and monitoring.
Northeast	.4	
Northwest	.2	
Southeast	.7	
Southwest	.2	
The National Seafood Inspection Laboratory	.6	This laboratory, located at Pascagoula, Mississippi conducts and coordinates analysis and research focusing on safety, quality, and public health integrity of Department of Commerce-inspected fishery products.
NMFS Utilization Laboratories		
Charleston, S.C.	2.1	Research and development activities addressing (1) seafood quality, safety, and identity issues and (2) the technologies needed to improve fish harvesting and processing efficiency and to remove the impediments associated with the development of underused fisheries. These laboratories also provide technical monitors for S/K grant projects.
Gloucester, Mass.	1.0	
Seattle, Wash.	1.3	

As the table shows, the utilization laboratories are the principal organizational entities carrying out in-house research and development under the Fisheries Development Program. To further explore how those funds are used, we examined the tasks funded in fiscal year 1984 at the utilization research laboratories in Gloucester, Massachusetts, and in Seattle, Washington. The Gloucester laboratory conducts studies dealing with the generation of safety, quality, and nutrition data for consumers, improving fish harvesting, processing and distribution, and increasing the consumption of underused species. The Seattle laboratory is conducting research on botulism and the sodium content of seafood and developing and improving the fishery resource in general. More details of the functions supported at the two utilization laboratories are presented in appendixes VII and VIII.

#### VIEWS ON FUNDING BOTH PROGRAMS

##### NMFS program officials

NMFS officials responsible for the S/K Grants Program and the in-house Fisheries Development Program told us that both programs are needed and merit funding. They told us that the S/K Grants Program is separate from and complementary to the Fisheries Development Program. They pointed out that S/K grant projects are generally short-term, concerned with areas of immediate interest to the fishing industry, while the in-house program involves longer term, basic research with fewer near-term applications. NMFS program officials said that the unique skills and expertise that the in-house laboratories possess and the different focus (short-term vs. long-term research and development) of the programs make them complementary.

NMFS program officials told us that the S/K Grants Program is not suitable for performing long-term research currently undertaken by the laboratories because the laboratories possess unique technical capabilities. On the other hand, they said it is more appropriate for industry grantees to perform near-term market development activities. For example, a laboratory director told us that S/K grants usually address a business need while the NMFS laboratory develops basic knowledge. This official said both types of research are needed and about 75 percent of the laboratory's work complements the S/K grant projects. NMFS officials advised us that if one or the other program were eliminated, the remaining program would need to broaden its scope and increase its funding to help compensate for the loss of the research. Even then, they said that because unique capabilities would be lost, some of the needed research would not be done.

## Industry views

We asked industry associations and regional fisheries development foundations to rate the S/K Grants and NMFS in-house Fisheries Development Programs on the appropriateness/suitability of projects funded and the adequacy of funding provided to S/K grant and in-house fisheries development projects. The 47 industry associations' responses are shown below.

Table 2.10: Industry Association Responses

<u>Value</u>	<u>Appropriateness of projects</u>		<u>Adequacy of funding</u>	
	<u>S/K grant</u>	<u>In-house</u>	<u>S/K grant</u>	<u>In-house</u>
Very good	7	1	0	1
Good	19	6	11	7
Fair	10	14	14	7
Poor	3	4	4	2
Very poor	2	2	7	5
No basis to judge	5	17	9	21
No response	1	3	2	4

The seven regional fisheries development foundations responded as follows.

Table 2.11: Fisheries Development Foundation Responses

<u>Value</u>	<u>Appropriateness of projects</u>		<u>Adequacy of funding</u>	
	<u>S/K grant</u>	<u>In-house</u>	<u>S/K grant</u>	<u>In-house</u>
Very good	2	0	0	0
Good	5	1	1	3
Fair	0	2	2	0
Poor	0	1	4	0
Very poor	0	1	0	1
No basis to judge	0	2	0	3

The responses indicate a dissatisfaction with the level of project funding and that respondents believe the grant projects are more appropriate than in-house laboratory projects.

## CONCLUSION

During fiscal years 1980 through 1984, a total of \$187 million of S/K funds was made available to the Secretary of Commerce. Of this amount, \$58.4 million supported the S/K Grants Program and \$55.2 million supported the Fisheries Development Program. The Congress transferred the balance of \$73.4 million to NOAA's operating account, which funds a variety of NOAA activities.

NMFS awarded about 61 percent of its S/K grant funds to seven regional fisheries development foundations during fiscal years 1980 through 1984. The balance was awarded to industry firms, state and local governments, and universities. Research activities supported included fish harvesting, quality enhancement and control, domestic and foreign market development, efficiency and productivity improvements, and fisheries economy and investment. Although the grantees we examined reported indirect grant costs ranging from none to about 62 percent, such differences cannot be meaningfully compared. As we previously reported,<sup>2</sup> variations in indirect cost rates among grantees cannot be meaningfully compared because they result from a variety of contributing factors, such as the age and type of facilities used, the geographic location, the type of work performed, and accounting system differences among grantees.

The Fisheries Development Program was funded at \$11 million in fiscal year 1984. About \$6 million of this supported the various administrative, management, and market activities of headquarters program offices and regional offices. The remaining \$5 million supported research and development activities at four Commerce laboratories. These laboratories research and develop seafood quality and safety issues and fish harvesting and processing technologies. The projects carried out at the laboratories were generally for a longer term than grant projects, which generally address issues of immediate concern to industry.

Agency program officials viewed the two programs to be complementary and told us that both merit funding. Industry representatives indicated a dissatisfaction with the level of project funding and a belief that grant projects are more appropriate than in-house laboratory projects.

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<sup>2</sup>Indirect Costs of Health Research--How They are Computed, What Actions are Needed (HRD-79-67, July 27, 1979).

## CHAPTER 3

### CONTROLS OVER AND VIEWS ON THE USEFULNESS OF THE FISHERIES DEVELOPMENT PROJECTS

We examined NMFS' processes for controlling fisheries development projects and obtained agency program officials' and industry representatives' views on project usefulness. Although we noted some weaknesses in NMFS' management of grant projects, NOAA is currently developing written guidance for administering grants and NMFS is implementing a new, computerized tracking system. These actions, when fully implemented, should help resolve the weaknesses noted. NMFS program officials told us that both S/K grant and in-house fisheries-development projects provide useful results to the fishing industry. In response to questionnaires, foundations and industry associations indicated greater familiarity with the grant projects and generally viewed them to be more useful than in-house projects.

#### ADMINISTRATION OF S/K GRANT PROJECTS

In administering the S/K Grants Program, NMFS focuses on selecting projects for grant award and monitoring project progress and relies primarily on its grantees to disseminate project results. Currently, NMFS is establishing a computerized system intended to enhance its ability to process information on project selections, track project progress, and summarize project results.

#### S/K Grant Award Process

The grant award processes used in the NMFS Northwest, Alaska, and Northeast Regions were similar; the most notable difference was that the S/K reviewers in the Northwest and Alaska Regions met in group panel meetings and the reviewers in the Northeast did not meet as a group but individually reviewed and commented on S/K grant proposals. Otherwise, the award process was essentially the same. We verified that the process was generally followed in the three regions in fiscal year 1984 by reviewing program documents and interviewing program officials. For illustrative purposes, the process used in the Northeast Region during fiscal year 1984 is described below.

The S/K grant process began in late September 1983 when NMFS headquarters asked for regional funding priorities. Considering information and suggestions from the fishing industry and other groups/agencies, the Northeast Region developed and recommended a list of regional priorities to NMFS headquarters in November 1983. The Northeast Region's priorities, along with other regional and national priorities, were printed in the March 5, 1984, Federal Register, which solicited S/K grant proposals. The deadline for submitting S/K

proposals was May 7, 1984. Proposals received in the regional office after that date were rejected.

As proposals were received, the Northeast Region reviewed them to ensure that the forms were correctly prepared, the applications met the basic requirements set forth in the Federal Register, and the proposed projects were adequately described. In 1984, the Northeast Region received and evaluated 38 proposals.

NMFS regional personnel technically evaluated and scored the proposals by awarding a maximum of 20 points on each of five factors:

- adequacy of effort for resolving an impediment to industry's full use of a fishery and possibilities of securing productive results,
- soundness of design/technical approach for resolving an impediment to the full use of a fishery,
- organization and management (including qualifications of personnel involved),
- effectiveness of proposed methods for monitoring and evaluating results, and
- appropriateness of budget in terms of work involved.

For each proposal evaluated, the regional grants coordinator computed an average score.

Concurrent with this technical evaluation, reviewers from the fishing industry, academia, and government were asked to evaluate the proposed projects considering the same five factors plus the significance of the problem addressed. Each reviewer was asked to indicate high, moderate, marginal, or no support for each project evaluated.

After the proposal evaluations were returned, the grants coordinator assigned scores for the reviewers' evaluations--90, 65, 40, or 15 points for high, moderate, marginal, or no support, respectively--and computed an average score. The grants coordinator then combined the average scores with those from NMFS personnel and ranked the proposals according to the combined scores. This ranking of proposals is called the technical evaluation ranking.

The regional grants coordinator and other regional officials--including the services division chief and deputy chief--and branch chiefs then met to establish a regional priority list for the proposals. In addition to the technical evaluation rankings, regional and national priorities and the anticipated S/K funding level were considered. This regional

priority list did not completely agree with the technical rankings.

For example, two proposals--one that was technically ranked 16th and another ranked 23rd--were listed by the region as priorities 2 and 17, respectively. NMFS considered the areas covered--domestic and export marketing and product quality--to be of high priority. These proposals requested funds for 2 years. In response to concerns over the projects' high costs, the NMFS regional officials reduced the proposals' costs by limiting the funding to 1 year and then gave them higher priority rankings.

The regional priority list was then sent to the acting regional director for review. Upon approving the priority list, the acting director recommended the top 19 proposals for funding and forwarded the list to the Assistant Administrator for Fisheries in June 1984.

At NMFS headquarters, these 19 proposals were combined with the proposals from all other NMFS regions. Proposals for a total of 112 projects, requesting about \$12.2 million, were submitted to headquarters. Benefit/cost analyses were made for the 112 proposals and they were listed in descending priority order. According to NMFS, the primary benefit criterion was the proposed project's contribution to the full use of fishery resources by U.S. fishermen and processors. Other deciding factors cited by NMFS were:

- the applicability to regional problems;
- the applicability to nationwide fisheries goals, policies, and concerns;
- the applicability to special situations involving individual species; and
- the technical merit and past work in the area.

After the proposed projects were further reviewed, the Assistant Administrator for Fisheries selected proposals for funding. In addition to the top 84 proposals, the Assistant Administrator selected two lower ranked proposals for specific regional needs--one to develop artificial reefs in Hawaii and the other to manage hard shell clams in Suffolk, New York. The selected proposals were then reviewed and approved by the Department of Commerce's Financial Assistance Review Board. This board reviews proposed grants before they are awarded by Commerce.

For the Northeast Region's 19 recommended projects, the regional priorities, technical evaluation rankings, and national rankings are shown below.

Table 3.1: Rankings for the Northeast Region's Recommended Projects

Northeast Region Proposal No. <u>84-NER</u>	Northeast Region <u>priority ranking</u>	Technical evaluation <u>ranking</u>	National <u>ranking</u>
001	1	1	a
021	2	16	b
040	3	2	32
041	4	9	27
171	5	4	35
161	6	3	26
155	7	5	22
201	8	6	36
158	9	7	33
157	10	8	62
159 <sup>c</sup>	11	10	102
203	12	11	52
220	13	13	23
173	14	15	64
150	15	17	54
202 <sup>c</sup>	16	18	106
221	17	23	77
250	18	27	101
154 <sup>c</sup>	19	28	86

<sup>a</sup>Proposal 84-NER-001 was considered to be two separate projects at the national level--New England domestic marketing and export marketing, which ranked 5 and 9, respectively.

<sup>b</sup>Proposal 84-NER-021 was considered to be two separate projects at the national level--Mid-Atlantic domestic marketing and export marketing, which ranked 7 and 6, respectively.

<sup>c</sup>Projects not funded.

As the preceding table shows, 16 of the 19 proposals recommended by the Northeast Region were funded. Of these, a hard shell clam management proposal requesting \$200,000 (No. 84-NER-250) was ranked 101 out of the 112 proposed projects. Although the proposed project was ranked relatively low, (1) the Senate Committee on Appropriations directed NMFS "to make grants of up to \$200,000" for developing and implementing a clam management plan,<sup>1</sup> and (2) the proposal addressed a regional priority set forth by NMFS in the March 5, 1984, Federal Register.

<sup>1</sup>Report S98-206, August 2, 1983.

### Reprogramming of S/K grant funds

When funds were reprogrammed from one grant project to another, the award process described above was not always followed. Reprogramming has occurred when projects for which funds were awarded had not been started, were terminated prior to completion, or were completed with funds remaining. According to the S/K Grants Program director, NMFS allowed the regions to use unspent funds on projects that were not approved through the established grant award process in order to expedite the use of the grant funds. This official explained that the rationale was that the program's objectives would be better met by having the regions spend the funds on regional fishing industry needs rather than returning the funds to headquarters for use in the next grant award cycle. Since the S/K grant award process is conducted once a year, the director pointed out, requiring the funds to be awarded through the established process could have delayed using the funds for up to a year. In the NMFS Alaska Region, 11 projects were funded with a total of about \$735,000 of reprogrammed funds in fiscal years 1979 through 1983. The most recent reprogramming case we noted occurred in the NMFS Northeast Region during fiscal year 1984.

In May 1984 the Northeast Region, with NMFS headquarters approval, amended the cooperative agreement with the New England Fisheries Development Foundation to reallocate \$67,500 originally awarded for a project to develop and promote mackerel products to a project to develop surimi products using red hake--a large, underused fishery resource in New England. The mackerel project was selected and funded through the fiscal year 1983 S/K grant award process. Shortly after the project began, the New England foundation suggested to NMFS that the mackerel project be cancelled because

--the amount of mackerel off the New England coast was small and

--the West Coast Fisheries Development Foundation had previously carried out work similar to that proposed in the mackerel project.

When the funds were reprogrammed, the surimi project did not follow the established grant award process before being approved for funding. Before the project was started with funds reprogrammed from the mackerel project, the proposal for the surimi project was not formally evaluated by reviewers from the fishing industry and academia, not given a technical evaluation score, nor ranked in relation to other proposed regional and national projects. However, according to the Northeast Region's grants coordinator, the project was informally commented on by regional industry representatives, reviewed by NMFS regional and headquarters technical personnel, and reviewed by Commerce's Financial Assistance Review Board.

The S/K Program director told us that since approval of the surimi project, NMFS headquarters has given oral guidance to its regions that all future S/K projects will undergo the full review process before being approved for funding. Consistent with that oral guidance, we noted that a request for a reprogramming of funds by a Northeast Region grantee was rejected in August 1984. In March 1985, NOAA had drafted written guidance which, in part, sets forth procedures for awarding grants in the future. According to the NOAA official responsible for preparing the draft guidance, NOAA will not issue the guidance until after the Department of Commerce issues its grant administration procedures. In July 1985 Commerce's procedures were in final draft and expected to be issued by the end of the year.

### Monitoring of S/K Grant Projects

Once a grant is awarded, NMFS monitors grant progress through a regional technical monitor and the NOAA Administrative Service Centers process financial claims and maintain financial information on the status of the grants. The technical monitor is the official adviser to the grants officer regarding activities carried out as part of a grant and acts as a liaison between the grant recipient, the NMFS program office, and the grants office. The technical monitor works with the program office to ensure that grant activities are relevant to the project for which the grant was funded and works with the grants office to ensure that technical requirements, such as the submission of accurate and timely reports, and the proper use of funds, are met.

The NMFS regions we visited each designated NMFS personnel as technical monitors. The technical monitors were assisted in monitoring S/K projects by other individuals knowledgeable about the technical aspects of projects. S/K project award documents require the grantees to submit quarterly progress reports and a final report, which is submitted at the completion of a project. Generally, the technical monitors monitored projects by visiting the grantees and by reviewing the quarterly progress and final reports.

To examine the NMFS project monitoring in more detail, we judgmentally selected three projects in the Northwest Region and four in the Northeast Region. With one exception, the files for each of these projects had the required quarterly and final reports. In one case, phone calls by the technical monitor to the grantee substituted for two quarterly reports. We also noted evidence of site visits and other contacts (correspondence, telephone calls) between technical monitors and grantees. Although the projects examined were not fully successful, more intense project monitoring may not have provided better results.

For example, we examined a \$50,000 project to develop fish oil and fish fertilizer for agricultural uses from fish waste. The technical monitor for this project was the deputy director, Utilization Research Division, Northwest and Alaska Fisheries Center. Progress on this project was also monitored by a contracting officer and the region's S/K grant coordinator.

The project file showed that when the grantee submitted the first quarterly report and requested reimbursement plus an advance, the technical monitor requested additional information and a detailed operations plan. The technical monitor also disapproved the request for an advance. After the grantee submitted the second quarterly report and another request for reimbursement, the technical monitor said the report was vague and did not provide sufficient information to determine the progress made. The monitor also outlined other problems with the grantee and recommended to the contracting officer that the project be terminated. The contracting officer at the Western Administrative Service Center then notified the grantee that the project was suspended because the progress reports revealed little progress toward accomplishing project goals and objectives. The contracting officer and grantee then held a meeting, which resulted in a supplemental report. The suspension was lifted and both the first and second quarter requests for reimbursement were processed.

A few days before the project was scheduled to end, the grantee requested permission to shift project funds between cost categories and a 90-day extension. The grantee was given a 60-day extension but refused permission to shift project funds. The grantee submitted a final report of about 70 pages. According to the technical monitor, it was a poor report because it did not present research results but just gave leads on who to contact to do the same type of work. In summary, the project was monitored from the start but the final report was considered to be poor.

Although the individual projects we examined were adequately monitored, we found that the monitors did not communicate their results to NMFS headquarters, neither on an individual project basis nor in summary form. One regional S/K grant coordinator told us that written evaluations of final products are strictly internal documents that only go into project files. In this regard, the S/K Program director explained that the regions have not been required to submit reports because headquarters lacks the space for them and the staff to review them. However, the director pointed out that a computerized tracking system, called the Saltonstall/Kennedy Information Management System (SKIMS), will enable program managers to know the status of all projects and assist in meeting reporting needs.

The primary purpose of SKIMS is to improve NMFS' ability to process information on S/K applications, prepare associated form letters and mailing addresses, track progress on funded proposals, and generate reports on funding recommendations, project descriptions, financial summary reports by categories and regions, and a bibliography summarizing final reports of completed projects. This system is currently being implemented and is expected to be fully operational by the end of 1985.

#### Dissemination of S/K Grant Project Results

Under S/K grant agreements, dissemination of research results is the responsibility of the grantee. NMFS headquarters and regional officials told us that grantees disseminate final reports to all parties known to have a specific interest in the results of the research. Although NMFS has performed some dissemination activities when it considered a project's information to have more widespread value, NMFS does not disseminate the results of every S/K grant project.

We judgmentally selected ten project files to examine the extent to which results have been disseminated. The project files indicated that the results of projects were largely targeted to specific potential users. File data indicated that grantees distributed copies of final reports, demonstrated or presented results at trade shows, conducted workshops and seminars, distributed packets of information, and prepared articles for newsletters and journals. Although the dissemination of the results for nine projects was evident, one project's results were not widely disseminated. This project was the first year of a \$282,500 sablefish marketing project. The grantee, the Alaska Fisheries Development Foundation, had contracted to have sablefish promotional materials developed and employed to increase domestic sales. The foundation's executive director told us that because it was dissatisfied with the contractor's work, the foundation terminated its involvement after the first year; the only dissemination for this project was a copy of the final report on the first year's activities to NMFS. The NMFS Alaska Region assumed management of the second year of the project, using the same contractor. In April 1985 an Alaska Region official told us that the project was nearing completion and a final report was expected by June 1985.

Another foundation director told us that the diversity of the fishing industry makes dissemination difficult. The official explained that the limited availability of resources and the geographic spread of users makes the dissemination of S/K grant project results on an economic basis almost impossible, but this problem is inherent to the fishing industry.

Although SKIMS is primarily intended to improve NMFS monitoring and project reporting capabilities, the additional information made available to program managers should enhance their

capabilities to evaluate their programs/projects and disseminate project results. For example, the initial SKIMS bibliography report prepared in January 1985 provided a listing of grantee final reports by grant number and category and included the author, an abstract description of each final report, and information on how to obtain copies of final reports.

#### MANAGEMENT OF IN-HOUSE LABORATORY PROJECTS

The in-house utilization research laboratories' fisheries development projects are planned and conducted by NMFS employees. NMFS managers are directly responsible for supervising those carrying out the work and provide more detailed oversight, monitoring, and direction over these projects than over the S/K grant projects.

#### Project selection

The utilization research laboratories each propose research projects to NMFS headquarters based on their experience and knowledge of the regional research needs of the fishing industry and requests by industry representatives. For example, Seattle laboratory officials told us that most ideas for their work originate through discussions with their scientists and in being aware of regional fishing industry needs by keeping in contact with local fishing industry sources. In addition, they said about one project each year results from an industry request. Proposals, which include narrative justifications and listings of major project milestones, are submitted upward through the regional centers to NMFS headquarters for approval. On the basis of its review of those proposals, NMFS headquarters allocates funds to the laboratories. NMFS headquarters officials can also request that one or more laboratories pursue a specific research project that the Congress and/or NMFS determines to be important (for example, toxins in fish). As laboratories' priorities/ needs change during a budget year, laboratory directors have the prerogative to reprogram funds between projects.

Although we did not find a formal coordination mechanism between the in-house research and S/K grants, we noted that information is exchanged both at the regional and national levels. For example, in-house staff evaluate S/K proposals submitted and have technically monitored S/K grant projects. Also, NMFS regions and regional fisheries-development foundations are on the mailing list for periodic laboratory reports, which provide information on completed, ongoing, and planned laboratory research efforts.

#### Project monitoring

Unlike the S/K Grants Program, where funds are distributed among a large number of grantees and subcontractors sometimes at remote sites, in-house fishery projects are nearly always

carried out within the NMFS laboratories. Consequently, there is constant contact and communication between the division directors, project leaders, and researchers. Additionally, at the Northeast, Northwest, and Alaska Fisheries Centers, the utilization research directors require researchers to submit periodic progress reports. The director, in turn, submits progress reports to the fisheries center director, who then reports on center operations to NMFS headquarters.

NMFS uses management by objectives as a means of monitoring overall department and agency goals. Fisheries center officials review milestones developed by officials at the utilization research laboratories for each of their projects. These milestones, once approved by the center director, become an integral part of the center directors' and laboratory directors' senior executive service contract goals for the year. According to a NMFS official, the use of management by objectives provides a basis for the upward flow of information within the organization and assures that field units such as the utilization research laboratories are meeting their goals.

#### Dissemination of research results

When a project phase is completed, the milestones usually call for publication of the methodology and results of the work. If the utilization research division believes it is important for industry to quickly obtain the research results, laboratory officials told us, an in-house report will first be produced and distributed to those who are known to need the information. A more formal report may be published later. Nearly all final products are written manuscripts that are published in scientific journals.

The researchers also disseminate results by participating in seminars attended by industry representatives. Laboratory officials told us, and documents they provided indicated, that a more informal means of providing research information to industry is through telephone conversations and other personal contact with industry representatives. Utilization research laboratories are also a repository of information from previous research and respond to specific requests for information. Further, laboratories either publish newsletters or write articles for regional fisheries development foundation newsletters to update industry members on NMFS research. Utilization research laboratories' bimonthly reports, which discuss current research results, are also mailed to key individuals or organizations in the fishing industry.

#### VIEWS ON USEFULNESS OF THE PROJECTS

NMFS program officials and the majority of fishing industry associations and regional fisheries development foundations responding to our questionnaires indicated that both the S/K Grants and the NMFS in-house Fisheries Development Programs

provide useful results to the fishing industry. NMFS program officials saw complementary benefits accruing. Industry associations and the foundations were more familiar with the S/K grant projects and more of them perceived the grant projects to provide greater benefits to the fishing industry.

#### NMFS program officials' views

NMFS program officials told us that the S/K grants and the in-house research projects are complementary and both programs provide useful results to the U.S. fishing industry. For example, one NMFS laboratory director told us that the fishing industry would use whatever methods that are known to be more profitable. Therefore, this official said, it is important for the in-house laboratories to develop harvesting and processing methods for improving the quality of seafood products and for the fishing industry, using S/K grants, to "educate the consumer that it is worth paying higher prices for higher quality fish." NMFS program officials told us that if one program did not conduct its current efforts, the void would need to be filled by the other. They would not express a view as to whether one program was more beneficial than the other.

#### Fishing industry associations

In response to our questionnaire, 47 fishing industry associations provided views on the benefits of the S/K grant and NMFS in-house projects by fishing industry sectors: harvesting, processing, marketing, recreational fishing, and international trade. For each of these sectors, we asked the associations to indicate their familiarity with S/K grant and in-house projects and for their views on the overall benefit of those projects. The respondents that were familiar with the projects tended to perceive industry benefits, ranging from 64 percent of those familiar with recreational fishing projects in the S/K Grants Program to 92 percent of those familiar with that program's marketing projects viewing the projects as beneficial. Those that had little or no familiarity with the projects tended to perceive little or no benefit, ranging from 75 percent of those not familiar with marketing projects in the S/K Grants Program to 100 percent of those not familiar with international trade in-house projects seeing little or no benefit. The associations' responses for those familiar with the projects are summarized in the following table.

Table 3.2: Fishing Industry Associations' Familiarity with S/K Grant and In-house Projects and Perceived Industry Benefit

S/K Grants Program

NMFS In-house Program

Sector/ activity	Respondents familiar with projects	Respondents who feel projects provided moderate or great benefit	
		Number	Percent
Harvesting	36	32	89%
Processing	33	29	88%
Marketing	36	33	92%
Recreational fishing	11	7	64%
International trade	21	19	90%

Respondents familiar with projects	Respondents who feel projects provided moderate or great benefit	
	Number	Percent
27	22	81%
23	19	83%
24	19	79%
13	9	69%
18	15	83%

As the table shows, with the exception of the recreational fishing sector, fishing associations were better acquainted with S/K grant projects than with NMFS' in-house projects. The associations that claimed familiarity with both S/K grant and NMFS in-house projects indicated that the industry received about the same level of benefit from S/K grant and NMFS in-house projects for all sectors except marketing. The associations believed that marketing projects conducted under the S/K Grants Program provided somewhat more benefit to the industry. This is consistent with the S/K Grants Program's greater emphasis on marketing activities.

We also asked the associations to directly compare the overall benefits of the S/K grant and in-house projects. The following table summarizes their responses.

Table 3.3: Fishing Industry Associations' Comparison of S/K Grant and In-house Projects' Benefits

<u>Response</u>	<u>Number responding</u>	<u>Percent</u>
S/K grant projects provides more benefit	17	36
NMFS in-house projects provides more benefit	8	17
About the same level of benefit is provided by each	10	21
Not sufficiently familiar to make a comparative judgment	11	23
No response	<u>1</u>	<u>2</u>
Total	<u>47</u>	<u>99<sup>a</sup></u>

<sup>a</sup>Amounts do not add to 100 percent due to rounding.

The table shows that about twice as many associations believe that the results of projects funded by S/K grants have been more beneficial to the fishing industry (36 percent vs. 17 percent). Some fishing industry associations indicating that the S/K grant projects are more beneficial commented:

"Work carried out by industry is more likely to benefit the industry."

"Private sector knows what they need and how to obtain it."

"S/K grant work is generally carried out with much greater review, involvement, and application by the industry."

In contrast, some associations that believed that the NMFS in-house projects are more beneficial commented:

"NMFS in-house projects generally are well thought out and benefit the entire industry. . . ."

"NMFS is better equipped to conduct the kind of research I see as vital to fishery management and conservation. . . ."

"In my judgment, research should be less brush-fire oriented. Longer term research is probably easier to conduct within NMFS itself."

Although more associations believed S/K grant projects to be more beneficial, 21 percent believed that the benefits derived from S/K grant and NMFS in-house projects were about the same. Two of these associations commented:

"The NMFS in-house work is better for biological data more along basic research while contract labor is better in development type studies."

"One cannot categorize. Some of the work done in-house is very valuable, other projects not so. Likewise, many S/K grant projects provide good benefit, but others are less useful. On balance, performance is probably about equal."

#### Fisheries-development foundations

We similarly asked the seven regional fisheries development foundations for their views on the benefits of S/K grant and in-house projects. The foundations' responses showed that those familiar with S/K grant and NMFS in-house projects unanimously believed that the S/K grant harvesting, processing, and international trade projects, and the NMFS in-house harvesting projects, were moderately or greatly beneficial to the fishing industry. On the other hand, one foundation pointed out that a \$10 million program cannot resolve the "critical" problems of the fishing industry. As with the industry associations, fewer foundations thought in-house marketing projects to be beneficial. Those that were not familiar with the projects indicated that they did not perceive similar benefits. For example, the foundations were less familiar with recreational fishing projects and generally viewed them as less beneficial.

In comparing the overall benefits of S/K grant and in-house projects, the foundations unanimously responded that the S/K grant projects were more beneficial. The foundations believed that they were closer to the fishing industry and more responsive to its needs. For example, one foundation commented:

"The S/K program is much better able to do practical work since it has direct industry involvement and sponsorship. . . ."

Another foundation wrote:

"NMFS programs are often 'fixed' by available personnel, physical resources, etc. Consequently, their experience, though valuable, is not readily available to respond/re-program. S/K funds, administered by the foundation, network existing talents and address issues on an immediate

basis. Further, [the foundations'] program planning is devoid of regulatory responsibilities, focusing clearly on economic development."

## CONCLUSION

To achieve useful projects, NMFS selects projects for funding after considering the technical merits and priorities of proposals and then monitors those projects' use of funds and progress. NMFS also disseminates the results of in-house projects, but relies primarily on grantees to disseminate the results of S/K grant projects. We noted that when S/K grant funds were reprogrammed, some projects were funded without undergoing the established proposal review process. In this regard, NMFS officials advised us that all future S/K grant projects will undergo the proposal review process before being funded. Further, Commerce and NOAA were in the process of developing written grant administration procedures that will set forth procedures for awarding grants.

Although the projects we examined were adequately monitored, the technical monitoring results were noted in project files but not reported elsewhere within NMFS. Hence, S/K Grants Program managers did not have information on the status of the projects. SKIMS, the computerized system currently being implemented by NMFS, will improve S/K Grants Program managers' oversight of the projects and provide a bibliography summarizing the final reports of completed projects. When fully implemented, SKIMS should improve NMFS grant monitoring and dissemination capabilities by providing S/K managers ready access to the status and results of grant projects. Because actions taken or underway should resolve the problems we noted, we are making no recommendations.

NMFS program officials viewed the S/K Grants and in-house Fisheries Development Programs to be complementary and both to provide useful results to the fishing industry. Our analysis of questionnaire responses showed that the more familiar a respondent was to a program's projects, the more apt the respondent was to state that a program/project provided useful results. Industry representatives were generally more familiar with the S/K Grants Program and the majority thought it provided more useful projects.

PRINCIPAL LOCATIONS VISITED BY GAONational Marine Fisheries Service Offices:

National Marine Fisheries Service Headquarters, Washington,  
D.C.

Alaska Region, Juneau, Alaska

Gloucester Laboratory, Gloucester, Massachusetts

Northeast Fisheries Center, Woods Hole, Massachusetts

Northeast Region, Gloucester, Massachusetts

Northwest and Alaska Fisheries Center, Seattle, Washington

Northwest Region, Seattle, Washington

Southeast Region, St. Petersburg, Florida

Western Administrative Support Center, Seattle, Washington

Regional Fisheries Development Foundations:

Alaska Fisheries Development Foundation, Anchorage, Alaska

Gulf and South Atlantic Fisheries Development Foundation,  
Tampa, Florida

New England Fisheries Development Foundation, Boston,  
Massachusetts

Mid-Atlantic Fisheries Development Foundation, Annapolis,  
Maryland

West Coast Fisheries Development Foundation, Portland,  
Oregon

### QUESTIONNAIRE OBJECTIVES, SCOPE, AND METHODOLOGY

To solicit fishing industry views on the usefulness of fisheries research and development, we developed separate questionnaires to survey fishing industry associations, reviewers of Saltonstall/Kennedy (S/K) grant proposals, and regional fisheries development foundations. We pretested the questionnaires and in February 1985 mailed them to all fishing industry associations, reviewers of S/K grant proposals during the 1982-1984 period, and fisheries development foundations. To ensure a high response rate we sent follow-up letters to nonrespondents about 2 weeks after the initial mailing. In addition, we made some follow-up calls to clarify responses from fisheries-development foundations. Because the entire universe was surveyed, there are no sampling errors.

The following sections present a more detailed description of our scope and methodology for our three questionnaires.

#### Fishing industry association questionnaire

The names, addresses, and telephone numbers of fishing industry associations were compiled from the Encyclopedia of Associations data base and a National Marine Fisheries Service American Fisheries Directory and Reference Book and supplemented with a list of industry associations provided by NMFS headquarters officials. We surveyed 131 fishing industry associations and received completed questionnaires from 47, for a 36-percent response rate. Such a response rate is lower than that typically sought by GAO. Industry associations can, however, be difficult to survey, often resulting in low response rates. While the 36-percent response rate received is lower than most GAO survey efforts, we believe the 47 industry associations responding are a representative cross-section of the fishing industry associations. A list of associations responding is presented in appendix III.

#### S/K reviewer questionnaires

NMFS headquarters and regional officials provided us with the names, addresses, and telephone numbers of individuals who served as reviewers for proposed S/K grant projects during 1982-1984. These reviewers were primarily from industry but also included representatives from universities, state and local governments, and federal agencies such as NMFS and the Department of the Interior's Fish and Wildlife Service.

We surveyed 193 reviewers; completed questionnaires were returned by 136 of them, for a 71-percent response rate.

Fisheries development  
foundations questionnaires

We surveyed the directors of the seven foundations:

- (1) Gulf and South Atlantic Fisheries Development Foundation
- (2) New England Fisheries Development Foundation
- (3) West Coast Fisheries Development Foundation
- (4) Alaska Fisheries Development Foundation
- (5) Mid-Atlantic Fisheries Development Foundation
- (6) Pacific Fisheries Development Foundation and
- (7) Great Lakes Fisheries Development Foundation

LIST OF 47 INDUSTRY ASSOCIATIONS  
RESPONDING TO GAO QUESTIONNAIRE

Alaska Draggers Association  
Alaska Seafood Marketing Institute  
American Fishermen's Research Foundation  
American Fishing Tackle Manufacturers Association  
American Shrimpboat Association  
American Shrimp Processors Association  
Association of Smoked Fish Processors  
Atlantic Offshore Fishermen's Association  
Bass Research Foundation  
Bering Sea Fishermen's Association  
California Fisheries Association  
Columbia River Fishermen's Protective Union  
Fishermen's Cooperative Association  
Fishermen's Marketing Association of Washington  
Fishing Vessel Owners Association  
Horizon Trawlers, Inc.  
International Institute of Fisheries, Economics and Trade  
Kodiak Setnetters Association  
Local 33, International Longshoremen's and Warehousemen's Union  
Long Island Fishermen's Association  
Louisiana Shrimp Association  
Maine Fishermen's Wives Association  
Maine Lobstermen's Association  
Massachusetts Inshore Draggermen's Association  
Massachusetts Lobstermen's Association  
National Fisheries Institute  
National Wildlife Federation  
Northwest Fisheries Association  
Old Harbor Native Corporation  
Organized Fishermen of Florida  
Pacific Coast Oyster Growers Association  
Pacific Fisheries Foundation  
Pacific Gamefish Foundation  
Pacific Seafood Processors Association  
Pacific Tuna Development Foundation Board  
Petersburg Fishing Vessel Owners Association  
Salmon Trollers Marketing Association, Inc.  
Seafood Dealers Association of New Bedford, Inc.  
Seafood Producers Association  
South Carolina Shrimpers Association  
Southeastern Fisheries Association  
Sport Fishing Institute  
Tele-Press Associates  
Texas Shrimp Association  
United Fishermen of Alaska  
Virginia Watermen's Association  
Western Alaska Cooperative Marketing Association

FREQUENCY DISTRIBUTION OF RESPONSES:  
INDUSTRY ASSOCIATION QUESTIONNAIRE

The U.S. General Accounting Office, an agency of the Congress, is conducting a review of the National Marine Fisheries Service's (NMFS) administration of both the Saltonstall-Kennedy (S-K) grant program and its own in-house research program, which it conducts at NMFS fishery centers and utilization research laboratories. Our study is being made at the request of Congressman John Breaux, Chairman, Subcommittee on Fisheries and Wildlife Conservation and the Environment, House Committee on Merchant Marine and Fisheries.

In order to obtain industry views on the two NMFS programs we are sending this questionnaire to fishing industry associations. Your organization's views and experiences are very important to our effort. While we plan to include in our report to the Congress the names of the organizations we survey, responses to specific questions will be reported in summary form.

If you have any questions concerning this survey, please call Mr. Rodney Conti, Kevin Perkins, or Alvin Finegold in Seattle, Washington at 206-442-5356, or Mr. Sumi Arima in Rockville, Maryland at 301-443-8691.

Please return your completed questionnaire in the enclosed self-addressed business reply envelope within two weeks, if possible, to Mr. Rodney Conti, U.S. General Accounting Office, Room 1992, Jackson Federal Building, 915 Second Ave., Seattle, Washington 98174.

Thank you for your assistance.

1. To what extent, if at all, is your organization involved in representing each of the following sectors/activities of the fishing industry? (Check one box for each sector/activity.)

ID1 (1-3)  
CD1 (4)

Sector/Activity	1. Great extent	2. Moderate extent	3. Some extent	4. None	No response
1. Harvesting	31	4	5	7	
2. Processing	11	6	14	15	1
3. Marketing (wholesale/retail)	14	8	14	10	1
4. Recreational fishing (sport/charter)	5	3	4	35	
5. International trade (import/export)	4	6	16	21	
6. Other(s) (Specify)	5	4			38

(5-10)

2. Under the NMFS Saltonstall-Kennedy (S-K) program, grants are awarded to individuals, fisheries development foundations, and other organizations to perform research and development projects aimed at benefiting the fishing industry. For each sector/activity of the fishing industry listed below please indicate: A.) the amount of familiarity, if any, you have with the S-K projects in that sector/activity during the past three years (1982-1984); and B.) how much overall benefit, if any, you believe the S-K projects have had on that sector/activity of the fishing industry. (Check two boxes for each sector/activity.)

Sector/Activity		Familiarity					Benefit					No response	
		1. No response	2. Very great	3. Great	4. Moderate	5. Some	1. Very great	2. Great	3. Moderate	4. Some	5. Little or none		
1. Harvesting	1	12	7	10	7	10	4	11	8	11	12	1	(11-12)
2. Processing	3	8	4	15	6	11	6	7	9	8	14	3	(13-14)
3. Marketing (wholesale/retail)	3	9	7	12	8	8	7	11	8	9	10	2	(15-16)
4. Recreational fishing (sport/charter)	3	5		1	5	33	2	2	2	3	36	2	(17-18)
5. International trade (import/export)	4	4	5	4	8	22	1	5	7	7	24	3	(19-20)
6. Other(s) (Specify)	45	1	1				1	1				45	
													(21-22)

If you checked "very great" or "great" benefit for any sector/activity please explain the kinds of benefits you believe S-K grants have provided to the industry.

(23)

If you checked "little or no benefit" for any sector/activity please explain the kinds of changes or improvements you believe are needed in the S-K program to provide benefits to the industry.

(24)

3. Another effort to benefit the fishing industry involves research and development projects conducted "in-house" by NMFS at its own fisheries centers and utilization research laboratories. For each sector/activity of the industry listed below please indicate: A.) the amount of familiarity, if any, you have with the the work performed at these research facilities during the past three years (1982-1984); and B.) how much overall benefit, if any, you believe the work performed at the NMFS research facilities has had on that sector/activity of the fishing industry. (Check two boxes for each sector/activity.)

Sector/Activity		Familiarity					Benefit					No response	
		1. No response	2. Very great	3. Great	4. Moderate	5. Some	1. Very great	2. Great	3. Moderate	4. Some	5. Little or none		
1. Harvesting	2	3	7	9	9	17	4	2	11	7	20	3	(25-26)
2. Processing	2	1	5	10	9	20	1	3	9	7	23	4	(27-28)
3. Marketing (wholesale/retail)	3	1	2	12	11	18	1	4	11	4	22	5	(29-30)
4. Recreational fishing (sport/charter)	3	1	1	3	9	30	1		4	5	33	4	(31-32)
5. International trade (import/export)	4		1	8	10	24		4	7	4	27	5	(33-34)
6. Other(s) (Specify)	45	2					2					45	(35-36)

If you checked "Very Great" or "Great" benefit for any sector/activity please explain the kinds of benefits you believe "in-house" projects have provided to the industry.

(37)

If you checked "little or none" benefit for any sector/activity please explain the kinds of changes or improvements you believe are needed in the NMFS "in-house" research and development programs to increase benefits to the industry.

(38)

4. Overall, do you feel that the results of projects funded by S-K grants or the results of NMFS "in-house" research and development projects provide more benefit to the fishing industry on the whole? (Check one and briefly explain why.)

(39)

1. (3) NMFS in-house work provides much more benefit
2. (5) NMFS in-house work provides somewhat more benefit
3. (10) About the same level of benefit is provided by each
4. (7) S-K grant work provides somewhat more benefit
5. (10) S-K grant work provides much more benefit
6. (11) Not sufficiently familiar with both to make a comparative judgement

1 No response

4.a. Briefly explain your response to question 4.

(40)

5. Do you believe that each sector/activity of the fishing industry listed below has received too much, too little, or an appropriate amount of emphasis, including funding, from the S-K grant program and the NMFS "in-house" research and development program during the past three years (1982-1984)? (Check two boxes for each sector/activity.)

Sector/Activity	S-K grants						NMFS in-house							
	1. No response	2. Much too much	3. Somewhat too much	4. About right	5. Somewhat too little	6. Much too little	1. No basis in indna	2. Much too much	3. Somewhat too much	4. About right	5. Somewhat too little	6. Much too little	No basis to judge	No response
1. Harvesting	4		2	15	11	5	10	2	5	9	6	4	15	6
2. Processing	5	3	2	18	7	5	7	3	2	9	3	7	17	6
3. Marketing (wholesale/retail)	4	2	5	8	11	10	7	3	7	5	5	6	15	6
4. Recreational fishing (sport/charter)	6	3	2	7	2	6	21	4	3	4	3	4	22	7
5. International trade (import/export)	6	1	2	12	6	6	14	3	3	9	4	3	18	7
6. Other(s) (Specify)	44					3					2	2		43

5.a. Briefly explain your response if you checked one of the too much or too little responses in question 5.

(53)

6. Based on your experiences with or knowledge of the S-K grant program and the NMFS "in-house" research and development program, how would you rate each of the following program aspects in your region or area? (Check two boxes for each program aspect.)

Program Aspect	S-K grants						NMFS in-house						No response	
	1. No response	2. Very Good	3. Good	4. Fair	5. Poor	6. Very Poor	1. No basis to Judge	2. Very Good	3. Good	4. Fair	5. Poor	6. Very Poor		
1. The appropriateness of projects generally funded	1	7	19	10	3	2	5	1	6	14	4	2	17	3
2. The quality (i.e., skill or ability) with which projects are generally conducted	2	6	18	11	1	2	7	3	10	8		2	21	3
3. The adequacy of funding typically provided	2		11	14	4	7	9	1	7	7	2	5	21	4
4. The amount of information that is typically distributed about completed projects	1	2	10	14	7	8	5	2	5	4	6	10	16	4
5. The usefulness to the industry of typical project results	2	5	16	12	3	3	6	1	10	6	3	5	19	3

6.a. Briefly explain your reason if you checked "Poor" or "Very poor" for any aspect in question 6.

(64)

7. Which of the following statements describe your organization's involvement with the S-K grant program for the past three years (1982-1984)? (Check all that apply.)

(65-70)

- 1. (11) Our organization has applied for one or more S-K grants.
- 2. (11) Our organization has received one or more S-K grants.
- 3. (7) Our organization has assisted one or more of our members to apply for an S-K grant.
- 4. (15) Our organization staff or board members have served as S-K grant review panel members.
- 5. (20) Our organization works closely with fisheries development foundation(s) regarding S-K grant related issues.
- 6. (4) Other (Please specify)

7.a. If your organization has received S-K grant money please explain how dependent the organization is on grant funds for its operation.

(71)

8. In your opinion, how should S-K grant funds primarily be distributed to fishing industry members (other than fisheries development foundations)? (Check one.)

(72)

- 1. (16) Directly from NMFS to industry members.
- 2. (17) Through fisheries development foundations.
- 3. (8) Other (Please specify) \_\_\_\_\_
- 4. (4) No preference

2 No response

9. If you have any additional comments about the S-K grant program, the NMFS in-house research program, or your responses to the above questions please enter them on the next page. (Attach additional sheets if you require more space.)

(73)

10. Please provide the following information so that we can contact the person completing this questionnaire should we need clarification of any response.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone Number: (\_\_\_\_\_) \_\_\_\_\_  
Area Code

PERCENTAGE DISTRIBUTION OF RESPONSES:  
GRANT PROPOSAL REVIEWERS' QUESTIONNAIRE

The U.S. General Accounting Office, an agency of the Congress, is reviewing the National Marine Fisheries Service's (NMFS) administration of the Saltonstall-Kennedy (S-K) grant program. An important part of this review is obtaining information pertaining to the S-K grant process and results. Our study is being made at the request Congressman John Breaux, Chairman, Subcommittee on Fisheries and Wildlife Conservation and the Environment, House Committee on Merchant Marine and Fisheries.

In order to obtain the views of those persons who have reviewed S-K grant proposals we are sending this questionnaire to those persons who have served on S-K grant review panels during the past three years (1982-1984). Your frank and honest answers are essential to our effort. Our report to the Congress will contain only summary data.

If you have any questions concerning this survey, please call Mr. Rodney Conti, Kevin Perkins, or Alvin Finegold in Seattle, Washington at 206-442-5356 or Mr. Sumi Arima in Rockville, Maryland at 301-443-8691.

Please return your completed questionnaire in the enclosed self-addressed business reply envelope within two weeks, if possible, to Mr. Rodney Conti, U.S. General Accounting Office, Room 1992, Jackson Federal Building, 915 Second Ave., Seattle, Washington 98174.

Thank you for your assistance.

NOTE: All questions are designed to be answered by all reviewers. For example, questions referring to "your region or area" should be answered by national review panel members from a national perspective. Likewise, questions referring the "most recent S-K review panel you served on" should be answered by all reviewers, regardless of whether you evaluated proposals only at home or also met in a group setting.

ID1 (1-3)  
CD (4)

1. In what years, if any, were you a member of the following S-K review panels? (Check all that apply.)

	1981 or earlier	1982	1983	1984	Never a reviewer	No response
A. National		8	13	16		78
B. Southwest region		5	9	7		87
C. Southeast region		7	6	8		88
D. New England region		29	35	38		51
E. Northwest region		3	6	7		90
F. Alaska region		6	7	6		91

NOTE: If you checked in question 1 that you were never a reviewer of S-K grant proposals, either alone or in a group setting, please skip to question 15 and then return the questionnaire in the enclosed business reply envelope.

2. Before project proposals for annual S-K funding are solicited, fisheries priorities are often established. How much influence, if any, does each of the following groups have in establishing fisheries priorities in your region or area? (Check one box for each group.)

Group	1. Very great deal of influence	2. Great deal of influence	3. Moderate influence	4. Some influence	5. Little or no influence	6. No basis to judge	No response
A. NMFS	31	27	15	4	4	17	1
B. Fisheries development foundations	17	32	17	8	3	20	3
C. Fishing industry associations	5	18	38	16	1	21	1
D. Harvesters, processors, or other individuals or firms	6	9	21	31	9	21	4
E. Other (Please specify)	3	2	2	7	1	1	84

(35-39)

2.a. If you believe that any of these group's influence is too great or too little, please explain.

(40)

3. For the most recent S-K review panel you served on, to what extent, if at all, do you feel that the S-K program priorities established for your region or area addressed the most critical needs of the fishing industry? (Check one.)

(41)

- 1. (9) Very great extent
- 2. (35) Great extent
- 3. (30) Moderate extent
- 4. (13) Some extent
- 5. (4) Little or no extent
- 6. (10) No basis to judge

3.a. If you answered "Little or no extent" briefly explain your answer.

(42)

4. In your opinion, were the following fishing industry, government, and other groups overrepresented, adequately represented, or underrepresented on the most recent S-K review panel you served on? (Check one box for each.)

Groups	1. Greatly over represented	2. Somewhat over represented	3. About right	4. Somewhat under represented	5. Greatly under represented	6. No basis to judge	No response
A. Harvesting	1	6	42	15	6	28	2
B. Processing	1	8	42	14	4	29	2
C. Marketing (wholesale/retail)	1	9	36	18	5	28	2
D. Recreational fishing (Sport/charter)	2	5	30	15	13	31	3
E. International trade (Import/export)	1	2	29	15	7	42	4
F. University/research	3	11	35	12	5	30	4
G. State agencies	1	9	34	18	5	31	2
H. Federal agencies	4	13	44	7	1	29	2
I. Fishing industry associations	3	7	41	13	2	30	4
J. Other (please specify)		1	2		1	1	95

(43-52)

5. In your opinion, how adequate were the following time and information resources available to you to evaluate and rank S-K grant proposals for the most recent S-K review panel you served on? (Check one for each.)

	1. Much more than adequate	2. Somewhat more than adequate	3. Adequate	4. Somewhat less than adequate	5. Much less than adequate	6. No basis to judge	No response
A. Time available to review and evaluate S-K grant proposals at home or before a group meeting	4	8	56	21	6	5	1
B. Time available to discuss and rank S-K grant proposals at a group meeting		4	43	19	6	26	2
C. Information contained in S-K grant proposals or otherwise supplied to reviewers	1	4	57	24	13	1	1

(53-55)

5.a. If you checked "Somewhat less than adequate" or "Much less than adequate" for any of the above please explain briefly.

(56)

6. Were technical review score sheets for project proposals provided to you before you ranked the proposals for the most recent S-K review panel you served on? (Check one.)

(57)

1. (63) Yes
2. (18) No
3. (18) Do not recall

7. Do you believe that technical review score sheets for project proposals should be provided to S-K review panel members before proposals are ranked? (Check one.)

(58)

- 1. (49) Definitely yes
- 2. (27) Probably yes
- 3. (15) Uncertain or no preference
- 4. (7) Probably no
- 5. (1) Definitely no

8. Did NMFS or any other source formally advise you which S-K proposals actually received funding for the most recent S-K review panel you served on? (Check one.)

(59)

- 1. (46) Yes
- 2. (49) No -----> Skip to question 10
- 3. (4) Do not recall -----> Skip to question 10

9. For the most recent S-K review panel you served on, to what extent, if at all, do you feel that the funded S-K projects actually addressed the most critical needs of the fishing industry in your region or area? (Check one.)

(60)

- 1. (2) Very great extent
- 2. (16) Great extent
- 3. (15) Moderate extent
- 4. (7) Some extent
- 5. (4) Little or no extent
- 6. (2) No basis to judge

54 No response

9.a. If you answered "Little or no extent" briefly explain your answer.

(61)

10. In your opinion, which of the following groups should have primary responsibility for evaluating completed S-K projects to determine the extent of their success? (Check one.) (62)

1. (48) NMFS
2. (10) The fisheries development foundation
3. (20) The S-K review panel
4. ( ) The grantee
5. (18) Other (Please specify) \_\_\_\_\_
6. (5) No basis to judge or no opinion

11. During the past three years (1982-1984) how much benefit, if any, has each of the following sectors/activities of the fishing industry gained from S-K funded projects in your region or area? (Check one box for each.)

Sector/Activity	1. Very great benefit	2. Great benefit	3. Moderate benefit	4. Some benefit	5. Little or no benefit	6. No basis to judge	No response
A. Harvesting	3	12	27	21	6	30	1
B. Processing	1	11	29	19	9	29	1
C. Marketing (wholesale/retail)	7	14	24	10	9	33	3
D. Recreational fishing (sport/charter)	1	4	13	15	18	46	3
E. International trade (import/export)	1	10	16	13	15	43	1
F. Other (please specify)	1	1		2	1		95

(63-68)

11.a. If you answered "Little or no benefit" for the above briefly explain.

(69)

12. In your opinion, how adequately are the results of completed S-K projects disseminated to the fishing industry? (Check one.)

(70)

1. (1) Much more than adequate
2. (3) Somewhat more than adequate
3. (30) Adequate
4. (24) Somewhat less than adequate
5. (15) Much less than adequate
6. (27) No basis to judge

12.a. If you checked "Somewhat less than adequate" or "Much less than adequate" for question 12, please explain briefly.

(71)

13. In your opinion, how should S-K funds primarily be granted to fishing industry members, (other than fisheries development foundations)? (Check one.)

(72)

1. (49) Directly from NMFS to the industry members
  2. (24) Through fisheries development foundations
  3. (12) Other (Please specify) \_\_\_\_\_
  4. (14) No basis to judge or no opinion
- 1 No response

14. If you have any further comments about the S-K grant review process or related issues please enter them below and on the next page. Attach additional sheets if you need more space. Thank you.

(73)

15. Please provide your name and telephone number in case we need to contact you for clarification of any response.

Name: \_\_\_\_\_

Telephone number: (\_\_\_\_\_) \_\_\_\_\_  
Area Code

Note: Percentages are based on 136 responses unless otherwise noted, and may not add to 100 percent due to rounding.

FREQUENCY DISTRIBUTION OF RESPONSES:  
FISHERIES DEVELOPMENT FOUNDATION QUESTIONNAIRE

1. Under the NMFS Saltonstall-Kennedy (S-K) program, grants are awarded to individuals, fisheries development foundations, and other organizations to perform research and development projects aimed at benefitting the fishing industry. In your geographic area, for each sector/activity of the fishing industry listed below, please indicate (a) the amount of familiarity, if any, you have with the S-K projects in that sector/activity during the past 3 years (1982-1984), and (b) how much overall benefit, if any, you believe the S-K projects have had on that sector/activity of the fishing industry. (Check two boxes for each sector/activity.)

<u>Sector/Activity</u>	<u>Familiarity</u>					<u>Benefit</u>				
	<i>Very Great</i>	<i>Great</i>	<i>Moderate</i>	<i>Some</i>	<i>Little or No</i>	<i>Very Great</i>	<i>Great</i>	<i>Moderate</i>	<i>Some</i>	<i>Little or No</i>
1. Harvesting	3	2	2			2	1	3	1	
2. Processing	3	2	1	1		1		4	2	
3. Marketing (wholesale/retail)	3	2	2			1	3	2		1
4. Recreational fishing (sport/charter)		1	1	2	3				3	4
5. International trade (import/export)	3	1	1	1	1	2	1	2	1	1
6. Other(s) (Specify)	2		1			2				1

- 1a. If you checked "Very Great" or "Great" benefit for any sector/activity, please explain the kinds of benefits you believe S-K grants have provided to the industry.

1b. If you checked "Little or No" benefit for any sector/activity in question 1, please explain the kinds of changes or improvements you believe are needed in the S-K program to provide benefits to the industry.

2. In your area, do you feel that NMFS is placing the right amount of emphasis on a regional vs. national approach in developing and strengthening the U.S. fishing industry? (Check one and explain briefly.)

- 1.  Much too much emphasis on regional
- 2.  Somewhat too much emphasis on regional
- 3.  About right amount of emphasis on each
- 4.  Somewhat too much emphasis on national
- 5.  Much too much emphasis on national

1 No response

Briefly explain your response.

3. Before project proposals for annual S-K funding are solicited, fisheries priorities are often established. How much influence, if any, does each of the following groups have in establishing fisheries priorities in your area? (Check one box for each group.)

Group	Very Great Deal of Influence	Great Deal of Influence	Moderate Influence	Some Influence	Little or No Influence	No Basis To Judge
1. NMFS	2	2	2	1		
2. Fisheries development foundations	1	2	3	1		
3. Fishing industry associations	1	2	3	1		
4. Harvesters, processors, or other individuals or firms		1	4	2		
5. Other (please specify)		2	1	1		

3a. For question 3, if you believe that any of these group's influence is too great or too little, please explain.

4. To what extent, if at all, do you feel that S-K program fisheries priorities usually address the most critical needs of the fishing industry in your area? (Check one and explain briefly.)

1.  Very great extent
2.  Great extent
3.  Moderate extent
4.  Some extent
5.  Little or no extent
6.  No basis to judge

Briefly explain your response.

5. To what extent, if at all, do you feel that funded S-K projects usually address the most critical needs of the fishing industry in your area? (Check one and explain briefly.)

1.  Very great extent
2.  Great extent
3.  Moderate extent
4.  Some extent
5.  Little or no extent
6.  No basis to judge

Briefly explain your response.

6. Currently, foundations usually monitor the performance of their S-K grant subcontractors. What role, if any, do you feel NMFS should play in monitoring your subcontractors' performance?

7. How often, if ever, does your foundation evaluate the final results of your S-K subcontractors to determine if their completed projects met planned objectives? (Check one.)

- 1.  Always
- 2.  Most of the time
- 3.  About half the time
- 4.  Occasionally
- 5.  Never or almost never
- 6.  Unknown

1 No response

7a. If you responded that your foundation at least occasionally or more frequently evaluates S-K subcontractor final results, please explain how the evaluations are done.

8. How often, if ever, do groups other than your foundation formally evaluate the final results of your subcontractors' projects? (Check one for each group.)

Group	Always	Most of the Time	About Half the Time	Occasionally	Never or Almost Never	Do Not Know
1. NMFS	2	1				4
2. Subcontractor	2			1		4
3. Other (Specify)						

9. Please explain how your foundation develops the administrative cost it charges for administering S-K projects (e.g., flat fee, a percentage of grant amount, etc.), and the amount of the fee or percentage.

10. In your opinion, how much of a role, if any, does each of the following groups typically play in disseminating the results of completed S-K projects to the fishing industry? (Check one for each.)

Group	<i>Very Large Role</i>	<i>Large Role</i>	<i>Moderate Role</i>	<i>Some Role</i>	<i>Little or No Role</i>	<i>No Basis to Judge</i>
1. Grantee(s)	1	2	2	2		
2. NMFS		1	4	1	1	
3. Foundations	3	3		1		
4. Other(s) (Specify)		3				

11. In your opinion, how much of a role, if any, should each of the following groups typically play in disseminating the results of completed S-K projects to the fishing industry? (Check one for each.)

Group	<i>Very Large Role</i>	<i>Large Role</i>	<i>Moderate Role</i>	<i>Some Role</i>	<i>Little or No Role</i>	<i>No Basis to Judge</i>
1. Grantee(s)		4	1	2		
2. NMFS	1	4	1		1	
3. Foundations	3	3	1			
4. Other(s) (Specify)		3				

11a. If your response in question 10 differs from that in question 11, please explain.

12. In your opinion, how adequately are the results of completed S-K projects disseminated to the fishing industry or other potential users? (Check one.)

1.  Much more than adequate
2.  Somewhat more than adequate
3.  Adequate
4.  Somewhat less than adequate
5.  Much less than adequate
6.  No basis to judge

12a. If you checked "Somewhat less than adequate" or "Much less than adequate" for question 12, please explain briefly.

13. In your opinion, how should S-K grant funds primarily be distributed to fishing industry members (other than fisheries development foundations)? (Check one and briefly explain.)

1.  Directly from NMFS to industry members
2.  Through fisheries development foundations
3.  Other (Please specify) \_\_\_\_\_
4.  No preference

Briefly explain your response.

14. Another effort to benefit the fishing industry involves research and development projects conducted "in-house" by NMFS at its own fisheries centers and utilization research laboratories. In your geographic area, for each sector/activity of the fishing industry listed below, please indicate (a) the amount of familiarity, if any, you have with the work performed at these research facilities during the past 3 years (1982-1984), and (b) how much overall benefit, if any, you believe the work performed at the NMFS research facilities has had on that sector/activity of the fishing industry. (Check two boxes for each sector/activity.)

<u>Sector/Activity</u>	<u>Familiarity</u>					<u>Benefit</u>				
	<i>Very Great</i>	<i>Great</i>	<i>Moderate</i>	<i>Some</i>	<i>Little or No</i>	<i>Very Great</i>	<i>Great</i>	<i>Moderate</i>	<i>Some</i>	<i>Little or No</i>
1. Harvesting		2		2	3			2	3	2
2. Processing	1	1	2	3			1	2	2	2
3. Marketing (wholesale/retail)	1	2	2	2			1	2	1	3
4. Recreational fishing (sport/charter)				2	5				1	6
5. International trade (import/export)	1	2	2	2		1		3	2	1
6. Other(s) (Specify)		1	1	1				2	1	

14a. If you checked "Very Great" or "Great" benefit for any sector/activity, please explain the kinds of benefits you believe "in-house" projects have provided to the industry.

14b. If you checked "Little or No" benefit for any sector/activity, please explain the kinds of changes or improvements you believe are needed in the NMFS in-house research and development programs to increase benefits to the industry.

15. Do you believe that each sector/activity of the fishing industry in your area listed below has received too much, too little, or an appropriate amount of emphasis, including funding, from the S-K grant program and the NMFS in-house research and development program during the past 3 years (1982-1984)? (Check two boxes for each sector/activity.)

	<u>S-K Grant Program</u>					<u>NMFS In-House Program</u>						
	Much Too Much	Somewhat Too Much	About Right	Somewhat Too Little	Much Too Little	No Basis To Judge	Much Too Much	Somewhat Too Much	About Right	Somewhat Too Little	Much Too Little	No Basis To Judge
1. Harvesting	1		3	2	1		1	3	1			2
2. Processing				5	1	1		3	1			3
3. Marketing (wholesale/retail)		2	1	2	1	1	2	2				3
4. Recreational fishing (sport/charter)	1	1				5	1					6
5. International trade (import/export)		1	2	3		1	1	1	1			3
6. Other(s) (Specify)			1		3					2		2

15a. Briefly explain your response if you checked any of the too much or too little responses in question 15.

16. Overall, do you feel that the results of projects funded by S-K grants or the results of NMFS in-house research and development projects provide more benefit to the fishing industry on the whole in your area? (Check one and briefly explain why.)

1.  NMFS in-house work provides much more benefit
2.  NMFS in-house work provides somewhat more benefit
3.  About the same level of benefit is provided by each
4.  S-K grant work provides somewhat more benefit
5.  S-K grant work provides much more benefit
6.  Not sufficiently familiar with both to make a comparative judgment

16a. Briefly explain your response to question 16.

17. Based on your experiences with or knowledge of the S-K grant program and the NMFS in-house research and development program, how would you rate each of the following program aspects in your area? (Check two boxes for each program aspect.)

Program Aspect	<u>S-K Grant Program</u>						<u>NMFS In-House Program</u>					
	<i>Very Good</i>	<i>Good</i>	<i>Fair</i>	<i>Poor</i>	<i>Very Poor</i>	<i>No Basis To Judge</i>	<i>Very Good</i>	<i>Good</i>	<i>Fair</i>	<i>Poor</i>	<i>Very Poor</i>	<i>No Basis To Judge</i>
Appropriateness of projects generally funded	2	5						1	2	1	1	2
Quality (i.e., skill or ability) with which projects are generally conducted	1	6						1	4			2
Adequacy of funding typically provided		1	2	4				3			1	3
Amount of information typically distributed about completed projects	2	3	2						3	1	1	2
Usefulness to the industry of typical project results	3	3	1						3	1	1	2

17a. Briefly explain your reason if you checked "Poor" or "Very Poor" for any aspect in question 17.



GLOUCESTER LABORATORY  
TASKS FUNDED IN FISCAL YEAR 1984

<u>Task/Description</u>	<u>Amount</u>
Resource Utilization Program Management	\$ 85,700
<p>This task was primarily for salary and benefits of the laboratory director. Also included were travel expenses incurred as director and as a monitor and adviser for Saltonstall/Kennedy (S/K) grant projects. The director is both administrator of the laboratory and director of research. This official is the primary contact with most user groups, providing the research community and industry input to the laboratory's agenda.</p>	
Fisheries Chemistry	\$380,800
<p>This task was for research and development concerned with generating safety, quality, and nutrition data for consumers and consumer groups. The long-term goal was to promote the use of seafood through research and public education documenting the health benefits to be derived from seafood. \$370,000 of the \$380,800 was for salaries and benefits for 14 staff members.</p>	
Fisheries Technology	\$443,400
<p>This research and development task dealt with applying quality standards for the industry and increasing the productivity and efficiency of the fishing industry by improving fish harvesting, processing, and distribution; increasing consumption of underused species; and eliminating processing waste and spoilage. \$409,300 of the total was for salaries and expenses.</p>	
Budget Review Reallocation (Reprogramming)	\$ 31,600
<p>Funds reprogrammed for supplies in support of Fisheries Chemistry. Examples of supplies include chemicals, fish purchased for analysis, gases, and instrumentation.</p>	
Gloucester Administrative	\$ 50,800
<p>This task was for the lease of one of five buildings used by the laboratory. Rental costs of the other four buildings are not included because they were government-owned.</p>	

NORTHWEST AND ALASKA FISHERIES CENTER  
UTILIZATION RESEARCH LABORATORY  
TASKS FUNDED IN FISCAL YEAR 1984

<u>Task/Description</u>	<u>Amount</u>
Microconstituents	\$ 91,000
<p>This task dealt with isolating from fishery products components (microconstituents) possessing beneficial properties that increase the usefulness of marine resources. Also, laboratory scientists worked on determining the levels of inorganic microconstituents in underused species and evaluating the status of organic microconstituents in fishery products.</p>	
Resources Development and Improvement (Fish Proteins and Derivatives)	\$170,000
<p>The objective of this task was to develop biochemical and processing information pertinent to the development of wet or dry protein products from underused species of fish for use in food, feeds, or industrial products.</p>	
Resources Development and Improvement (Managing and Using Fisheries Resources)	\$179,000
<p>The objective of this task was to determine the physical, chemical, and quality changes of fish held in ice and other holding systems.</p>	
Resources Development and Improvement (Improved Preservation Methods)	\$137,000
<p>The objectives of this task were to develop and evaluate improved methods of handling and preserving fish to permit the development of underused fishery resources and improve quality in species difficult to preserve using conventional methods and to improve methods of fish use by developing new product concepts and new products from underused species.</p>	
Product Quality and Safety	\$140,000
<p>This task examined (1) methods for detecting botulism organisms in fishery products and for controlling their growth and toxin production in foods and fish hatcheries and (2) the concentration of sodium nitrite and sodium</p>	

chloride required to inhibit botulism in hot-smoked salmon, sablefish, and whitefish.

Fishery Technology \$118,000  
(Sodium Content of  
Seafood/Nomenclature)

The objectives of this task were to determine sodium uptake by various species of fish due to processing conditions and to evaluate current and potential commercial fish species' edibility characteristics.

Fishery Utilization Research \$331,000  
Division Director's Account

This task was for administrative costs incurred by the division, including salaries for the division director, the deputy division director, an administrative officer, secretary, administrative support clerk, and two part-time personnel. This task also included services, salaries, and items not necessarily administrative in nature. For instance, the salary for a research chemist and about two-thirds of the salary for a supervisory microbiologist were also funded by this task, as were miscellaneous contractual services, such as garbage services.

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