

INTERNATIONAL COMMISSION FOR



THE NORTHWEST ATLANTIC FISHERIES

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Consideration of possible formulae for calculating annual payments to the Commission

by

Executive Secretary and Chairman - STACFAD

1. At the 1972 Annual Meeting, the Commission agreed that the views of Contracting Governments should be solicited regarding a possible change from the present formula [Convention Article XI(3)] for calculating payments due from each Contracting Government under the annual administration budget (1972 Meeting Proceedings No. 16, p. 2). The specific question raised was whether the basic membership fee should be increased and the panel membership payments thereby decreased.
2. The present formula requires that the annual payment due from any Contracting Government should be the equivalent of \$500.00 US plus the number of shares equal to the number of Panels in which that Government participates. It should be noted that the percentage contributed to the annual budget by the basic membership fee has decreased from 15% in 1953, to 9% in 1963 and to 5% in 1973. Table 1 presents the amounts which would be payable by each Contracting Government toward the 1973/74 budget estimate if the basic membership fee for each Contracting Government was \$500.00 (present fee), \$1,000.00, \$1,500.00 or \$2,000.00.
3. A proposed alternative formula would require that the annual payment due from any Contracting Government shall be an equal share of some percentage of the annual administrative budget plus the number of shares equal to the number of panels in which that Government participates. Table 2 presents the amounts payable by each Contracting Government toward the 1973/74 budget estimate if the basic membership fee for each Contracting Government (16) was an equal share of 5%, 10%, 15% or 20% of that budget estimate.
4. Comparison of the information in Tables 1 and 2 shows that the amounts payable by each Contracting Government against the 1973/74 budget would be almost the same whether one uses \$500.00 or 5%, \$1,000.00 or 10%, \$1,500.00 or 15% and \$2,000.00 or 20%. The present basic fee of \$500.00 per Contracting Government was set by the Convention of 1949 at about 15% of the budget. However, the present basic fee is only about 5% of the 1973/74 budget. Therefore it seems reasonable and realistic to increase the present basic fee to about 15% of the 1973/74 budget. This would be equivalent to \$1,500.00 per Contracting Government for the 1973/74 budget.
5. The Commission may wish to recommend amendments to paragraph 3 of Convention Article XI to Contracting Governments based on an assessment of the relative merits of the results provided by the alternative formulations.

Table 1. 1973/74 billing based on a basic fee of \$500.00, \$1,000.00, \$1,500.00 and \$2,000.00 per Contracting Government.

Budget	\$168,500.00
Less: Transfer from Miscellaneous Fund	<u>18,000.00</u>
Funds Required	<u>\$150,500.00</u>

Country	No. of Panels	Basic charge of \$500.00	Basic charge of \$1,000.00	Basic charge of \$1,500.00	Basic charge of \$2,000.00
Bulgaria	1	\$ 3,090.91	\$ 3,445.45	\$ 3,800.00	\$ 4,154.55
Canada	5	13,454.55	13,227.25	13,000.00	12,772.75
Denmark	3	8,272.73	8,336.35	8,400.00	8,463.65
France	4	10,863.64	10,781.80	10,700.00	10,618.20
Germany, Fed. Rep.	4	10,863.64	10,781.80	10,700.00	10,618.20
Iceland	1	3,090.91	3,445.45	3,800.00	4,154.55
Italy	2	5,681.82	5,890.90	6,100.00	6,309.10
Japan	3	8,272.73	8,336.35	8,400.00	8,463.65
Norway	4	10,863.64	10,781.80	10,700.00	10,618.20
Poland	5	13,454.55	13,227.25	13,000.00	12,772.75
Portugal	4	10,863.64	10,781.80	10,700.00	10,618.20
Romania	3	8,272.73	8,336.35	8,400.00	8,463.65
Spain	5	13,454.55	13,227.25	13,000.00	12,772.75
USSR	5	13,454.55	13,227.25	13,000.00	12,772.75
UK	3	8,272.73	8,336.35	8,400.00	8,463.65
USA	3	8,272.73	8,336.35	8,400.00	8,463.65
Total	55	\$150,500.05	\$150,499.75	\$150,500.00	\$150,500.25
Charge per Panel Membership		\$2,590.91	\$2,445.45	\$2,300.00	\$2,154.55

Table 2. 1973/74 billing based on a basic fee equal to 5%, 10%, 15% and 20% of the annual budget.

Budget	\$168,500.00	\$168,500.00	\$168,500.00	\$168,500.00
Less: Percentages charges	<u>8,425.00</u>	<u>16,850.00</u>	<u>25,275.00</u>	<u>33,700.00</u>
	160,075.00	151,650.00	143,225.00	134,800.00
Less: Transfer from Miscellaneous Fund	<u>18,000.00</u>	<u>18,000.00</u>	<u>18,000.00</u>	<u>18,000.00</u>
Funds required from Panel payments	<u>\$142,075.00</u>	<u>\$133,650.00</u>	<u>\$125,225.00</u>	<u>\$116,800.00</u>

Country	No. of Panels	Basic charge of 5% (\$526.56)	Basic charge of 10% (\$1,053.13)	Basic charge of 15% (\$1,579.69)	Basic charge of 20% (\$2,106.25)
Bulgaria	1	\$ 3,109.74	\$ 3,483.13	\$ 3,856.51	\$ 4,229.89
Canada	5	13,442.46	13,203.13	12,963.79	12,724.45
Denmark	3	8,276.10	8,343.13	8,410.15	8,477.17
France	4	10,859.28	10,773.13	10,686.97	10,600.81
Germany, Fed. Rep.	4	10,859.28	10,773.13	10,686.97	10,600.81
Iceland	1	3,109.74	3,483.13	3,856.51	4,229.89
Italy	2	5,692.92	5,913.13	6,133.33	6,353.53
Japan	3	8,276.10	8,343.13	8,410.15	8,477.17
Norway	4	10,859.28	10,773.13	10,686.97	10,600.81
Poland	5	13,442.46	13,203.13	12,963.79	12,724.45
Portugal	4	10,859.28	10,773.13	10,686.97	10,600.81
Romania	3	8,276.10	8,343.13	8,410.15	8,477.17
Spain	5	13,442.46	13,203.13	12,963.79	12,724.45
USSR	5	13,442.46	13,203.13	12,963.79	12,724.45
UK	3	8,276.10	8,343.13	8,410.15	8,477.17
USA	3	8,276.10	8,343.13	8,410.15	8,477.17
Total	55	\$150,499.86	\$150,500.08	\$150,500.14	\$150,500.20
Charge per Panel Membership		\$2,583.18	\$2,430.00	\$2,276.82	\$2,123.64

