

# United States Senate

WASHINGTON, DC 20510

December 9, 2019

The Honorable Richard Shelby  
Chairman  
Senate Appropriations Committee  
Washington, DC 20510

The Honorable Patrick Leahy  
Ranking Member  
Senate Appropriations Committee  
Washington, DC 20510

The Honorable Jerry Moran  
Chairman  
Commerce, Justice, Science, and  
Related Agencies Subcommittee  
Senate Appropriations Committee  
Washington, DC 20510

The Honorable Jeanne Shaheen  
Ranking Member  
Commerce, Justice, Science, and  
Related Agencies Subcommittee  
Senate Appropriations Committee  
Washington, DC 20510

We write to request assistance in addressing the increased debt burden incurred by the West Coast groundfish fishery due to the National Marine Fisheries Service's (NMFS) mishandled implementation of the "buyback" program. In 2000, the Secretary of Commerce declared the West Coast groundfish fishery an economic disaster. In response, Congress authorized a \$46 million buyout to reduce overcapacity. \$36 million of that amount was provided in the form of a loan that the remaining fishing vessels agreed to repay over thirty years based on a percentage fee on ex-vessel revenue. The program was created in a collaborative manner amongst numerous stakeholders and ultimately improved sustainability of the fishery by reducing the size of the trawl fleet.

After the fishing industry approved the buyback through a referendum, NMFS expended \$36 million in loan proceeds to retire fishing vessels in late 2003, and interest began accruing on March 1, 2004. However, NMFS failed to implement a repayment system until September of 2005. During this 18-month delay, NMFS prohibited the remaining vessels from making any loan repayments, adding \$3.8 million in interest from the outset. This oversight and the resulting compounding interest have led to the remaining vessels owing over \$13 million more than would have been owed if repayment had started immediately. The West Coast groundfish industry has already made payments of more than \$34 million towards this loan, yet currently owes \$22.4 million on the outstanding sub-loan for the fishery, which represents a significant burden on the industry.

As negotiations move forward on the Fiscal Year 2020 appropriations legislation, we strongly urge the inclusion of the following language to right the wrong levied upon the West Coast trawl fleet and the coastal communities dependent on its economic success.

*Notwithstanding section 661c of title 2, United States Code, the Secretary of Commerce shall forgive the interest accrued on the Groundfish Trawl fishery sub-*

*loan regarding fishing capacity reduction in the West Coast groundfish fishery authorized by section 212 of Division B, Title II, of Public Law 108-7 from December 4, 2003 through September 8, 2005 and the portion of additional interest accrued in the Groundfish Trawl fishery sub-loan since September 8, 2005 that is directly attributable to the delay in implementing a repayment system. The Secretary of the Treasury shall make available, out of any funds in the Treasury not otherwise appropriated, such sums necessary for any loan re-estimate under this provision.*

A robust West Coast groundfish fishery is essential to providing year-round economic activity and stability for rural fishing communities. We respectfully request that the Committee consider language to right this wrong.

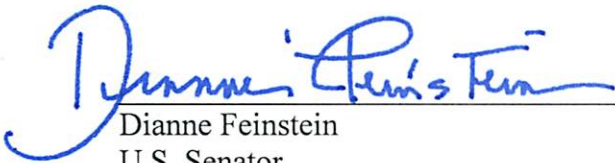
Sincerely,



Jeffrey A. Merkley  
U.S. Senator



Ron Wyden  
U.S. Senator



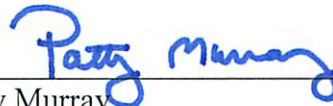
Dianne Feinstein  
U.S. Senator



Kamala D. Harris  
U.S. Senator



Maria Cantwell  
U.S. Senator



Patty Murray  
U.S. Senator