

Congress of the United States
Washington, DC 20515

December 10, 2019

The Honorable Nita Lowey
Chairwoman
House Committee on Appropriations
H-307 The Capitol
Washington, D.C. 20515

Dear Chairwoman Lowey,

On December 5, we led a coalition of West Coast Members in sending you a request that would end the unwarranted loan interest burden on the Pacific coast groundfish trawl fleet that we represent. This is a critical issue for our fishermen on the West Coast.

We would like to amend our earlier request to reflect the following language, which has been approved by the Congressional Budget Office and the Office of Management and Budget. Minority Leader Schumer has committed to put this language forward for inclusion in an end of year funding package, and we request that you consider doing the same.

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 modification under this provision.

For years, groundfish trawl vessels have been forced to carry an erroneously increased debt burden caused by the mishandled implementation of the “buyback” program by the National Marine Fisheries Service (NMFS). In 2000, the Secretary of Commerce declared the West Coast groundfish fishery an economic disaster and in response, Congress authorized a buyout to reduce overcapacity. 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. The result of this error means the remaining vessels now owe over \$13 million more than would have been owed if repayment had started immediately. The Pacific coast groundfish industry has made payments of more than \$34 million towards this loan, but the industry currently owes \$22.4 million on the outstanding sub-loan for the fishery, which represents a significant burden on the industry.

Forgiveness of this interest would have a clear and direct positive impact on the entire Pacific coast groundfish fishery trawl industry, which is essential to providing year-round economic stability for these communities, as well as the entire maritime economy of the communities that we represent.

Thank you for your consideration.

Sincerely,



KURT SCHRADER
Member of Congress



PETER A. DeFAZIO
Member of Congress



JARED HUFFMAN
Member of Congress