

HR ~~63622646~~ IH

~~112th~~113th CONGRESS

~~2d~~1st Session

H. R. ~~63622646~~

To direct the Secretary of Commerce to issue a fishing capacity reduction loan to refinance the existing loan funding the Pacific Coast ~~Groundfish Fishery Fishing Capacity Reduction Program~~groundfish fishing capacity reduction program.

IN THE HOUSE OF REPRESENTATIVES

~~September~~July 10, 20122013

Ms. HERRERA BEUTLER (for herself, Mr. HUFFMAN, Mr. THOMPSON of California ~~(for himself, Mrs. CAPPS, Mr. DEFAZIO, Ms. ESHOO, Mr. FARR, Ms. HERRERA BEUTLER, Mr. LARSEN of Washington, Mr. SCHRADER, Ms. SPEIER, Ms. WOOLSEY, and Mr. Mr. YOUNG of Alaska, and Mr. REICHERT)~~) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To direct the Secretary of Commerce to issue a fishing capacity reduction loan to refinance the existing loan funding the Pacific Coast ~~Groundfish Fishery Fishing Capacity Reduction Program~~groundfish fishing capacity reduction program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘Revitalizing the Economy of Fisheries in the Pacific ~~Act of 2012~~’Act’ or the ‘REFI Pacific ~~Act of 2012~~’Act’.

SEC. 2. FINDINGS; PURPOSE.

(a) Findings- Congress ~~finds as follows~~makes the following findings:

(1) In 2000, the Secretary of Commerce declared the ~~Pacific West Coast Groundfish Fishery~~groundfish fishery a Federal fisheries economic disaster due to low stock abundance ~~of groundfish and~~, an overcapitalized fleet, and historically overfished stocks.

(2) ~~In 2003, section~~Section 212 of the Department of Commerce and Related Agencies Appropriations Act, 2003 (title II of division B of Public Law 108-7; 117 Stat. 80) was enacted to ~~require establishment of~~establish a Pacific Coast groundfish ~~fishery~~fishing

~~capacity reduction program, also known as a buyback program, to remove excess fishing capacity from the groundfish, crab, and shrimp fisheries.~~

(3) In 2003, ~~a Congress authorized the \$35,700,000 buyback loan was authorized by Congress,~~ creating the Pacific Coast ~~Groundfish Fishing~~ groundfish fishing capacity reduction program through the National Marine Fisheries Service ~~Fisheries Finance Program~~ fisheries finance program with a term of 30 years. The interest rate of the buyback loan was fixed at 6.97 percent and is paid back based on an ex-vessel fee landing rate ~~of not to exceed~~ 5 percent for the loan.

(4) The ~~buyback~~ groundfish fishing capacity reduction program resulted in the removal of limited entry trawl Federal fishing permits from the fishery, representing approximately 46 percent of total landings at the time.

(5) Because of an absence of a repayment mechanism, \$4,243,730 in interest ~~was~~ accrued before fee collection procedures were established in 2005, over 18 months after the groundfish fishing capacity reduction program was initiated.

(6) In 2011, the ~~Pacific West~~ Pacific West Coast groundfish fishery transitioned to ~~an individual fishing quota fishery, which is a type of~~ an individual fishing quota fishery, which is a type of catch share program.

(7) By 2015, ~~Pacific West~~ Pacific West Coast groundfish fishermen's expenses are expected to include fees of approximately \$450 per day for observers, a 3-percent cost recovery fee as authorized by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801) for catch share programs, and a 5-percent ex-vessel landings rate for the loan repayment, which could reach 18 percent of their total gross revenue.

(8) In ~~2012, the period covering 2006 through 2011, the annual average Pacific West Coast Groundfish Fishery ex-vessel revenue was \$85,945,847, which included revenue of at-sea catcher processors, at-sea mothership catcher vessels, trawls, open access, and tribal fishing and all other groundfish revenue. Of that revenue, an average of \$45,000,000 was generated by the~~ limited entry trawl fishery:

~~(9) Currently, National Oceanic and Atmospheric Administration Fisheries administers industry-funded capacity reduction programs in the Bering Sea Aleutian Islands crab, Bering Sea Aleutian Islands non-pollock groundfish, and American Fisheries Act pollock fisheries, along with the Pacific Coast groundfish fishery. Each program has a 30-year, long-term loan repayment period based on fees for future landings in the fisheries.~~

~~(10) A fifth reduction buyback program was implemented in 2012 for the Alaska Purse Seine Salmon Fishery, which has a 40-year, long-term repayment period based on fees for future landings in the fishery with an ex-vessel landing rate of 3 percent.~~

~~(11) In the past when fishery disasters have been declared, some fisheries have been issued Federal disaster assistance grants generated \$63,000,000, an increase from an average of \$45,000,000 during the years 2006 to provide short-term economic assistance 2011. This revenue is expected to fishermen leaving the industry, increased profitability for remaining fishermen, and conservation of fish stocks.~~

~~(12) In 1996 and 1997, a \$23,000,000 Federal disaster assistance grant was issued for the New England Groundfish Fishery, which was used to remove 68 multi-species permits and scrap 58 vessels associated with those permits. No loan repayments were required for this grant.~~
increase post-rationalization.

(b) Purpose- The purpose of ~~the~~this Act is to refinance the Pacific Coast ~~Groundfish Fishery Fishing Capacity Reduction Program~~groundfish fishery fishing capacity reduction program to protect and conserve the ~~PacificWest~~ Coast groundfish fishery, ~~fishermen's economic livelihood, and jobs of associated industries~~the coastal economies in California, Oregon, and Washington that rely on it.

SEC. 3. REFINANCING OF WESTPACIFIC COAST GROUND FISH FISHERY FISHING CAPACITY REDUCTION LOAN.

(a) In General- The Secretary of Commerce ~~shall~~, upon receipt of such assurances as the Secretary considers appropriate to protect the interests of the United States, shall issue a loan to refinance the existing debt obligation funding the fishing capacity reduction program for the ~~PacificWest~~ Coast ~~Groundfish Fishery~~groundfish fishery implemented under section 212 of the Department of Commerce and Related Agencies Appropriations Act, 2003 (title II of division B of Public Law 108-7; 117 Stat. 80).

(b) Applicable Law- Except as otherwise provided in this section, the Secretary shall issue ~~such~~the loan under this section in accordance with subsections (b) through (e) of section 312 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a) and sections 53702 and 53735 of title 46, United States Code.

(c) Loan Term- ~~Notwithstanding section 53735(e)(4) of title 46, United States Code, a loan under this section must have a maturity that expires at the end of the 45-year period beginning on the date of issuance of such loan.~~

(1) IN GENERAL- Notwithstanding section 53735(c)(4) of title 46, United States Code, a loan under this section shall have a maturity that expires at the end of the 45-year period beginning on the date of issuance of the loan.

(2) EXTENSION- Notwithstanding paragraph (1) and if there is an outstanding balance on the loan after the period described in paragraph (1), a loan under this section shall have a maturity of 45 years or until the loan is repaid in full.

(d) Limitation on Fee Amount- Notwithstanding section 312(d)(2)(B) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. ~~1861~~1861a(d)(2)(B)), the fee established by the Secretary with respect to a loan under this section shall not exceed 3 percent of the ex-vessel value of ~~all fish harvested~~the harvest from each fishery for ~~which~~where the loan is issued.

(e) ~~Funding- To implement this~~Interest Rate-

(1) IN GENERAL- Notwithstanding section ~~there~~53702(b)(2) of title 46, United States Code, the annual rate of interest an obligor shall pay on a direct loan obligation under this

section is the percent the Secretary must pay as interest to borrow from the Treasury the funds to make the loan.

(2) SUBLOANS- Each subloan under the loan authorized by this section--

(A) shall receive the interest rate described in paragraph (1); and

(B) may be paid off at any time notwithstanding subsection (c)(1).

(f) Ex-Vessel Landing Fee-

(1) CALCULATIONS AND ACCURACY- The Secretary shall set the ex-vessel landing fee to be collected for payment of the loan under this section--

(A) as low as possible, based on recent landings value in the fishery, to meet the requirements of loan repayment;

(B) upon issuance of the loan in accordance with paragraph (2); and

(C) on a regular interval not to exceed every 5 years beginning on the date of issuance of the loan.

(2) DEADLINE FOR INITIAL EX-VESSEL LANDINGS FEE CALCULATION- Not later than 60 days after the date of issuance of the loan under this section, the Secretary shall recalculate the ex-vessel landing fee based on the most recent value of the fishery.

(g) Authorization- There is authorized to be appropriated to the Secretary of Commerce to carry out this section an amount equal to 1 percent of the amount of the loan authorized under this section: for purposes of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).