



Pacific Fishery Management Council

7700 NE Ambassador Place, Suite 101, Portland, OR 97220-1384

Phone 503-820-2280 | Toll free 866-806-7204 | Fax 503-820-2299 | www.pcouncil.org

Dan Wolford, Chairman | Donald O. McIsaac, Executive Director

October 1, 2012

The Honorable Mike Thompson
United States House of Representatives
231 Cannon Office Building
Washington, DC 20515

The Honorable Jaime Herrera Beutler
United States House of Representatives
1130 Longworth HOB
Washington, DC 20515

Subject: Requested Pacific Fishery Management Council (Pacific Council) Report on H.R. 6362, The Revitalizing the Economy of Fisheries (REFI) in the Pacific Act of 2012

Dear Congressman Thompson and Congresswoman Herrera Beutler:

Thank you for your August 23, 2012 letter and your request for Pacific Fishery Management Council (Pacific Council) comments on H.R. 6362, the Revitalizing the Economy of Fisheries (REFI) in the Pacific Act of 2012. The Pacific Council and its Legislative Committee reviewed H.R. 6362 at their September, 2012 meeting in Boise, Idaho and are highly supportive of efforts to ease the financial burden to groundfish fisherman through refinancing the existing loan funding the limited entry trawl fishery buyback under the Pacific Coast Groundfish Fishery Fishing Capacity Reduction Program. The Pacific Council has directed me to send you the following comments.

The Pacific Council notes that West Coast groundfish fishermen have made substantial sacrifices to maintain and rebuild fish stocks while restructuring and rationalizing fisheries. The limited entry trawl fishery has recently been transformed into a Trawl Individual Quota program, which is having beneficial outcomes for the resource and the fishery, but is also imposing significant added observer and cost recovery expenses on the fishermen. H.R. 6362 would assist in limiting further economic casualties in the fishery.

The Pacific Council supports H.R. 6362 provisions that cap the debt obligation paid by fisherman at 3 percent of exvessel revenue rather than 5 percent and that extend the term of the loan to 45 years. The Pacific Council notes that H.R. 6362 does not specify the detailed terms of the loan refinance, but rather refers to sections 53702 and 53735 of title 46, United States Code. Pertaining to interest rates on direct loans to fisheries, section 53702(b)(2) states that "*the annual rate of interest an obligor shall pay on a direct loan obligation under this subsection is 2 percent*

plus the additional percent the Secretary must pay as interest to borrow from the Treasury the funds to make the loan.” Uncertainties in the timing of H.R. 6362’s potential passage into law coupled with varying interest rates in a fluctuating economic environment make it difficult to assess the financial implications and specific terms of the proposed refinance. However, fixing the rates at present levels or lower could eliminate the uncertainty. Nevertheless, the Pacific Council perceives that the likely outcome will reduce the economic burden to the fishermen and thus supports the bill.

Thank you again for your request for Pacific Council comments on H.R. 6362. The Pacific Council appreciates your dedication to West Coast fisheries and the communities that depend on them. Should your staff have any questions about the enclosed report or require additional information, please have them contact me or Mr. Mike Burner at 503-820-2280.

Sincerely,



D. O. McIsaac, Ph.D.
Executive Director

MDB:kam

c: Pacific Fishery Management Council Members

Mr. Randy Fisher, Executive Director, Pacific States Marine Fisheries Commission
Mr. Chuck Tracy, Deputy Director, Pacific Council
Ms. Kelly Ames, Staff Officer, Pacific Council
Mr. John DeVore, Staff Officer, Pacific Council
Mr. Jim Seger, Staff Officer, Pacific Council
Mr. David Whaley, Committee on Natural Resources, U.S. House of Representatives
Ms. Lindsey Kraatz, Legislative Fellow, Office of Congressman Mike Thompson
Mr. Chad Ramey, Legislative Director, Office of Congresswoman Herrera Beutler
Mr. Will Stelle, NMFS Regional Administrator, NWR
Mr. Rod McInnis, NMFS Regional Administrator, SWR