

GROUND FISH ADVISORY SUBPANEL REPORT
ON LEGISLATIVE MATTERS

The Groundfish Advisory Subpanel (GAP) strongly supports a Congressional appropriation for buyback loan relief, and urges the Council to submit a letter of support for this effort.

The West Coast trawl fleet originally borrowed \$28 million to reduce overcapacity through the Pacific Coast groundfish buyback program. As of August 1st, 2018, the trawl fleet has paid back over \$34 million, yet still owes a whopping \$22.6 million. Almost half of the remaining balance is the result of the National Marine Fisheries Service (NMFS) not allowing payments to be made until 18 months after the loan was executed. As a result, over \$4 million in interest accrued before repayment even started. That additional interest has grown over time, so that today the industry owes at least \$10 million more than it would have if repayment had started immediately as intended.

A broad coalition that represents virtually every West Coast trawl permit owner (including fixed gear vessels that gear switch) has organized to pursue a \$10 million appropriation to pay down the balance of the loan. This would reduce the debt level by the amount roughly attributable to NMFS's failure to adopt a timely repayment mechanism, which would have benefits not just for trawl permit owners, but also for local communities, marine and gear shops, and more generally would improve the competitiveness of West Coast groundfish in the global seafood market.

The GAP understands that several members of the West Coast Congressional delegation are supportive of this action, and that Representative Schrader (D-OR 5th District) may ask the Council to confirm that an appropriation of \$10 million to reduce the outstanding loan amount (to a level that is more aligned with that envisioned by the original loan terms) would have a positive impact on the West Coast Groundfish fishery, and that the Council would be supportive of such an action to help that fishery.

Such an appropriation would be massively beneficial in providing relief to the trawl fleet to cover the unanticipated costs added by NMFS' inaction, and would support small businesses that generate economic benefits and jobs along the West Coast. This is very important to West Coast trawl permit owners, and the GAP asks the Council to acknowledge and confirm that an appropriation to reduce the outstanding loan amount would have a positive impact on the groundfish fishery and coastal communities.

PFMC
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