

**BUILDING A STRONGER AND MORE
RESILIENT SEAFOOD SECTOR**

HEARING

BEFORE THE

**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE**

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

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JULY 29, 2020
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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

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BUILDING A STRONGER AND MORE RESILIENT SEAFOOD SECTOR

WEDNESDAY, JULY 29, 2020

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 10 a.m., in room SR-253, Russell Senate Office Building, Hon. Roger Wicker, Chairman of the Committee, presiding.

Present: Senators Wicker [presiding], Thune, Sullivan, Scott, Cantwell, and Blumenthal.

OPENING STATEMENT OF HON. ROGER WICKER, U.S. SENATOR FROM MISSISSIPPI

The CHAIRMAN. This hearing will come to order. Good morning. Today the Committee meets for a hearing on “Building a Stronger and More Resilient Seafood Sector.” I thank my friend and Ranking Member Senator Cantwell for convening this hearing with me and I extend a welcome to our panel of witnesses and thank them for appearing. Today we will hear from Dr. Paul Doremus, Deputy Assistant Administrator for Operations, National Oceanic and Atmospheric Administration; Ms. Leann Bosarge, Council Member, Gulf of Mexico Fishery Management Council; Ms. Cora Campbell, Council Member, North Pacific Fishery Management Council; and Mr. Phil Anderson, Chair, Pacific Fishery Management Council.

The Committee has conducted several hearings related to COVID-19 oversight, and today we will examine the impact of the pandemic on the American seafood industry and ways to build a stronger and more resilient seafood supply chain. Fisheries across the Nation have reported as much as a 90 percent sales decline during the COVID-19 pandemic. All sectors of the seafood industry, including fishermen, aquaculture producers, seafood processors, distributors, and restaurants, have been impacted. In the Gulf of Mexico, commercial fishermen have seen an 80 percent decrease in the price of fish.

Products such as Gulf shrimp and oysters, which are primarily purchased at restaurants, have been especially hard-hit by the pandemic. These losses have crippled our Nation’s fisheries, and will have negative impacts on coastal communities around the country. Witnesses will have the opportunity to discuss both the immediate job loss and long-term impacts of this crisis on the seafood industry. In March, Congress included \$300 million in support of the fishing industry in the CARES Act, because we recognized the immediate financial crisis our fisheries faced. This support is still in

the process of being distributed to states four months later. This delay is frustrating. Our economy needs relief now.

Chronic delays in the distribution of fishery disaster relief have led me to introduce legislation to streamline the fisheries disaster declaration process and hold the Federal Government accountable. The CARES Act included more than \$9 billion to the U.S. Department of Agriculture to provide support for farmers and ranchers and to buy agricultural commodities. I am pleased that this will support our ranchers and farmers, but the benefit to our fishermen and seafood farmers is limited. I have personally requested that USDA expand food purchases to include additional seafood. The Committee is interested in hearing the witnesses' views on the CARES Act and its implementation.

We would also welcome perspectives on priorities for future legislative or administrative action, including the proposals being negotiated on a bipartisan basis as we speak. Commercial fishermen have been hurt by this pandemic because many Americans eat seafood in restaurants only. In order to provide direct relief to the restaurant industry, I have introduced S. 4012, the Restaurants Act of 2020. We need to support our restaurants and seafood sector during this crisis, but we also need to focus on creating a more resilient seafood industry. I am pleased to observe that we continue to gain cosponsors for S. 4012. In May, President Trump issued an Executive Order on promoting American seafood competitiveness and economic growth. As the Executive Order outlines, there is a great opportunity for the United States to promote sustainable American seafood. America needs to invest in the expansion of domestic aquaculture.

The United States has the largest exclusive economic zone in the world and yet we have only a single aquaculture facility in Federal waters. I applaud the Administration's efforts to develop a plan to expand sustainable aquaculture. When done in a safe and well-monitored manner, domestic farming of fish and seafood can complement traditional fishing and ensure healthy, safe, and affordable protein in American diets. Soon, I intend to introduce the Advancing the Quality and Understanding of American Aquaculture Act, or AQUAA Act. This will be done on a bipartisan basis. This bill would create a set of National standards for sustainable aquaculture, similar to the standards set by the Magnuson-Stevens Act.

The United States has the best managed fisheries in the world. We should lead the world in aquaculture management also. Today's hearing provides an opportunity to begin the discussion on how Congress can assist in promoting a strong, competitive seafood sector. So, I thank the witnesses for participating today either in person or remotely. And I now turn to my dear friend and Ranking Member, Senator Cantwell.

**STATEMENT OF HON. MARIA CANTWELL,
U.S. SENATOR FROM WASHINGTON**

Senator CANTWELL. Thank you, Mr. Chairman, and thanks for holding this important hearing. I am reminded as I was listening to your comments of the late Commerce Secretary Ron Brown, maybe even testifying in this room, I can't remember but he said "I am the Secretary of Commerce and all the issues that Commerce

oversees. But I guarantee you, if a Member of Congress is calling me, it is about fish.” And I think that that says the important nature to the State of Mississippi, to the State of Washington, I am sure to the State of Alaska, I saw the Senator from Alaska here, and to many of our other colleagues, these are important economic and sustainability questions.

So thank you for holding this important hearing and particularly with the severe impact of COVID-19 on the seafood industry because it has had serious economic consequences, and I want to thank the witnesses for participating, especially Phil Anderson, who is taking a day off from running his charter boat out of Westport, Washington to be with us. Phil, I am sure you would rather be reeling in coho, or spotting albatross or many other things but I really appreciate you being here and really appreciate you being here so early. The seafood sector is the cornerstone of our \$30 billion maritime economy in our State of Washington.

Fisheries and fishery related businesses, such as commercial fishing, seafood processing, shipbuilding, gear manufacturing, make up 60 percent of our state’s maritime economy, which as a whole supports over 146,000 jobs. In addition to commercial fisheries, the Tribal fisheries support subsistence, and immeasurable cultural and ceremonial value and recreational fisheries too, support our economy adding \$340 million to our state’s GDP. So yes, these are big economic issues for the State of Washington. The COVID pandemic has resulted in hardship on these communities and industries, and as of July of this year, I heard from Tribes, shellfish growers, fishing businesses, all who suffered from the severe impacts and declines in exports.

The COVID pandemic unfolded in many devastating ways. To the restaurant industry, it gutted the market for fresh seafood virtually overnight, and the seafood and restaurant industries are inextricably linked to the nearly three quarters of all U.S. seafood that is consumed in restaurants. So, the West Coast fisheries have already seen a decrease of \$21 million in revenue, a 40 percent decline compared to the previous 5-year average. In January alone, Washington Dungeness crab fishery saw a 37 percent decline in revenue from the previous year. Overall, it is estimated U.S. seafood sales have dropped 95 percent this year. So despite this staggering economic data, many fishermen have not been able to access the COVID relief funding from the Paycheck Protection Program, the Main Street Lending Program, or even qualified for unemployment based on the nature of their businesses and tax structures.

The USDA food purchase programs have not been able to provide the support for most seafood products, and some USDA programs, including the Farmers to Families Box Program, specifically blocked wild caught seafood from eligibility to the program, another blow to the industry. So that is why I fought so hard to secure \$300 million for the seafood sector in the form of grants and other assistance in the CARES Act to address the loophole. Unfortunately, the industry has yet to see a single dollar of relief due to the slow and inefficient and cumbersome implementation through NOAA’s National Marine Fisheries Service.

The Chairman and I, and I applaud the Chairman on this, have held several hearings and offered legislation to streamline the fish-

ery disaster process, and our bill is currently pending before the Senate. While this bill was written before COVID, it is clear even now, Mr. Chairman, that this is an important aspect of what we need to be doing. In addition to direct financial impacts of the industry, COVID-19 has also affected the fisheries research and management system that we rely upon to maintain our status as a world leader in sustainable fisheries. NOAA has issued waivers for observers and monitors of commercial fisheries, and canceled stock assessment surveys that supply crucial data. I am going to talk about this later, but stock assessments are the bedrock for our fisheries management system. We need stock assessments to continue. Today, I want to hear from our witnesses about how disruptions to stock assessments will impact fisheries management in the future.

In closing Mr. Chairman, I would be remiss if I did not mention my opposition and disappointment in the Administration's actions in Bristol Bay, Alaska. Instead of focusing on getting recovery dollars out the door to protect the seafood sector, the Administration is paving the way toward permitting the Pebble Mine. Salmon habitat and mining do not mix. The mine will kill salmon, and thousands of American jobs which depend on them, if any accident were to occur.

When the late Ted Stevens was quoted, he said "this is the wrong mine, in the wrong place." I doubt that he could imagine this becoming an even more pressing issue than it is today. It is beyond unconscionable that the Administration continues to threaten the largest salmon fishery in the world instead of focusing on the catastrophic failure that we are seeing because of the pandemic. This is like a one, two gut punch to the industry. By failing to engage in this process in a formal manner, NOAA has abdicated its responsibility to salmon management. NOAA has turned its back on 14,000 jobs and a \$1.5 billion sockeye salmon sector that is the largest in the world.

So as I have said many times, we must let science lead, and the Administration is not listening to science and NOAA is not sticking up for the science. This is an important public health issue, and it is important to protect these fisheries. I don't know what has happened with NOAA losing sight of this mission, but I guarantee you that the coastal communities that I represent, the fishermen that I represent, the jobs that they represent, and the sockeye salmon industry are very disappointed and we deserve better. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Cantwell. We have written statements from all four of our witnesses and they will be placed in the record at this point, and we recognize each of our panelists to summarize testimony in 5 minutes. And we begin in person with Dr. Doremus. Sir, you are recognized.

**STATEMENT OF HON. DAN SULLIVAN,
U.S. SENATOR FROM ALASKA**

Senator SULLIVAN. Mr. Chairman?

The CHAIRMAN. Yes?

Senator SULLIVAN. Sorry to interrupt. I was going to take a minute to introduce one of the witnesses here.

The CHAIRMAN. Absolutely.

Senator SULLIVAN. Alaskan, who is a good friend of mine. If I can take a moment to introduce Ms. Cora Campbell. Cora is an individual who I have great respect for, both as a friend and for her experience in harvesting, processing, and literally managing Alaska's fisheries resources. Cora's fishery career began in Petersburg, Alaska where she grew up fishing with her family. Following this, she moved on to fisheries policy in Alaska, served on numerous boards and committees including the North Pacific Fisheries Management Council's Advisory Panel, United Fishermen of Alaska, the Alaska Seafood Marketing Institute, and the Exxon Valdez Oil Spill Trustee Council.

In addition, Mr. Chairman, she served as a policy advisor to two Governors in Alaskan fisheries, wildlife, climate change, and natural resources, seafood marketing, and Arctic development. And perhaps most importantly, she is the former Commissioner of the Alaska Department of Fish and Game and represented the State of Alaska on the North Pacific Fisheries Management Council from 2010 to 2014. I had the distinct honor and pleasure of serving in a cabinet position with Cora when she was the Commissioner of Fish and Game and I was the Commissioner of the Department of Natural Resources.

She certainly, at that time, had one of the toughest jobs in the State of Alaska and did in an exemplary job in leading the Department of Fish and Game. I worked with her closely literally on a daily basis during that time. She is currently the President and CEO of Silver Base Seafoods, a fishermen-owned Alaska seafood processing company. She is also currently serving on the North Pacific Fisheries Management Council. Lives in Anchorage with her husband and two children, and I am very, very excited to have her testify and answer questions today.

Mr. Chairman, I can't think of a more qualified, experienced, and important person from my state to be testifying in front of the Committee on this important hearing today. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Sullivan, for those introductory remarks. And now we'll begin with 5 minute summaries of testimony. And again, I call on Dr. Paul Doremus. You are recognized.

**STATEMENT OF PAUL DOREMUS, DEPUTY ASSISTANT
ADMINISTRATOR FOR OPERATIONS, NATIONAL MARINE
FISHERIES SERVICE, NATIONAL OCEANIC AND ATMOSPHERIC
ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE**

Dr. DOREMUS. Thank you, Chairman Wicker, Ranking Member Cantwell, members of the Committee. Thank you for the opportunity to testify today regarding the impacts of COVID-19 on U.S. fisheries and the broader seafood industry. I am Paul Doremus. I serve as the Deputy Assistant Administrator for Operations at NOAA Fisheries. We are responsible for the stewardship of the Nation's living marine resources, responsible for managing productive and sustainable fisheries, ensuring safe sources of sustainable seafood supply, recovering and conserving protected resources, healthy ecosystems—all based on sound science and an ecosystem-based ap-

proach to management. Since March, we saw very quickly that we needed to take a proactive role in understanding the scale and the scope of the impact of the coronavirus pandemic on the entire sector.

Senator, as you noted in your opening comments, our seafood industries depend very heavily on restaurant and food service retail outlets to the tune of 70 percent of sales, and that source of demand for U.S. seafood products, in the context of the social distancing requirements of the pandemic, dropped precipitously. We are seeing significant impacts across the seafood supply chain from that changed structure of demand, and including but not limited to U.S. harvesters, seafood dealers, processors, wholesalers, distributors, and the recreational for-hire sector. Market demand has dropped substantially in these sectors as customers continue to stay home, public docks or ports stay closed or have limited utility. Harvesting, processing, and distribution have been curtailed for many fresh high-end products and in some cases have largely stopped in response to restaurant and other food service sector closings throughout the U.S. as well as globally.

The industry's outlook in the coming months is highly uncertain. Our initial analysis of industry impacts indicates that the scale and scope of the effects of COVID-19 on the entire sector are broad and are likely to continue to be felt for some time. We have a range of people in the industry, agencies, businesses, all parts of society that are coming to terms with trying to understand and adjust to the new realities of our COVID-19 environment and how the markets will be evolving from here.

We are continuing to assess both the near-term and immediate impacts of this pandemic and trying to assess over time how the pandemic will evolve in terms of its impact, and look at ways that we can improve the long-term resilience, the recovery initially, and then the long-term resilience and competitiveness of U.S. seafood and fisheries industries. We would certainly like to thank Congress for your close attention to date to the negative effects of COVID-19 on the industry as a whole.

Recently the Secretary of Commerce announced the allocation of \$300 million to fisheries assistance, funding provided by section 12005 of the CARES Act to states, tribes, territories with coastal and marine fishery participants who have been negatively affected by COVID-19. We are working aggressively. This has been the highest priority of ours to implement this funding and get it in the hands of those who deserve it as quickly as possible, and we are in the process of doing that at this moment in close collaboration with our partners in the marine fisheries commissions and elsewhere in the states.

In addition to the CARES Act funding, we are providing technical assistance to the U.S. Department of Agriculture to expand the range of species purchased by USDA for food assistance programs and other types of outlets for their buying programs, and in the near-term our fisheries finance program has modified and extended loan repayments, upon request, to seafood companies with short-term liquidity needs. These are the types of things that we have been trying to do where we can work both within NOAA and

across the Federal agency community to provide immediate assistance to U.S. fisheries and seafood industry.

We are also trying to look longer term. While the COVID-19 crisis has profoundly affected the seafood industry and we have a near-term need for immediate assistance, there is also an opportunity to rebuild fisheries, or the seafood sector as a whole, in ways that improve our ability to handle these types of crises in the future and address long-term systemic challenges, some of which existed prior to the pandemic itself. These challenges include reducing the cost of goods relative to foreign competition, modernizing or expanding U.S. seafood processing capacity, reducing reliance on foreign processing in the process, expanding domestically sourced supply and development of U.S. aquaculture, providing new product forms and market delivery techniques and generating greater demand through seafood marketing and promotion.

These are the types of things that we hope long term will help us mitigate the immediate and long-term effects of the pandemic on the industry. Thank you for the opportunity to testify in front of you today. I look forward to your questions and it is a great pleasure to join the other panelists as Senator Sullivan mentioned and others who provide a great deal of expertise on this topic as well. Thank you.

[The prepared statement of Dr. Doremus follows:]

PREPARED STATEMENT OF PAUL DOREMUS, DEPUTY ASSISTANT ADMINISTRATOR FOR OPERATIONS, NATIONAL MARINE FISHERIES SERVICE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE

Overview

Good morning, Chairman Wicker, Ranking Member Cantwell, and Members of the Committee. My name is Paul Doremus and I serve as the Deputy Assistant Administrator for Operations within the National Oceanic and Atmospheric Administration's (NOAA) National Marine Fisheries Service (NOAA Fisheries) in the Department of Commerce. NOAA Fisheries is responsible for the stewardship of the Nation's living marine resources and their habitats, including managing productive and sustainable fisheries, safe sources of seafood, the recovery and conservation of protected resources, and healthy ecosystems—informed by sound science and an ecosystem-based approach to management.

NOAA has a robust process in-place for actively monitoring and adjusting operations during emergencies and is doing so in response to the COVID-19 pandemic. NOAA's systems are continually monitored and staff are routinely prepared to ensure operational continuity. At this time, NOAA Fisheries remains operational; however, some key functions, such as certain fisheries surveys and field research, have been temporarily suspended due to social distancing requirements and related safety considerations. As we continue to manage operations, we are focusing first and foremost on the health and safety of our staff and partners, and evaluating current and upcoming operations based on mission priorities and operational risks. NOAA Fisheries will continue to fulfill our mission to the greatest extent possible under the current circumstances, maintaining our Nation's seafood supply and protecting marine life while minimizing risks to staff and facilities. Today, I will speak to the impacts of the pandemic on U.S. fisheries and the broader seafood industry.

Overview of COVID-19 Impacts

Since March, NOAA Fisheries has taken a proactive role in monitoring and adjusting to COVID-19 impacts. In keeping with our mission, the agency conducted a rapid economic assessment to identify immediate impacts of the pandemic on the U.S. seafood industry. Based on the rapid assessment, the agency recently published a report, *NOAA Fisheries Initial Impacts Assessment of the COVID-19 Crisis on the U.S. Commercial Seafood and Recreational For-Hire/Charter Industries*, which includes an initial snapshot of COVID-19 effects on the industry nationally and regionally as of March 2020.

Initially, some elements of the seafood industry in the United States felt the impacts of COVID-19 due to the broad scale closures of ports and seafood processing facilities in China beginning in late January as China enacted stringent protective measures, including quarantines and stay-at-home orders to all but essential workers, to reduce the spread of the virus.¹ As COVID-19 spread globally, the United States and many other countries implemented social distancing and other protective measures to reduce transmission rates, including closing restaurants but eventually extending to stay-at-home guidance and later stay-at-home orders for all but essential workers. These measures had a swift and sweeping impact on many U.S. fisheries but especially on fresh, high-end products that are primarily sold to restaurants. Domestic shellfish aquaculture operations were similarly hard hit by restaurant closures. Further, as social distancing measures expanded, the for-hire recreational industry, especially in southern states with active fishing seasons already underway, was essentially shut down as customers stayed home and public docks closed.

However, those interviewed indicated that in contrast to the fresh fish market, consumers dramatically increased supermarket purchases in late March 2020 of shelf stable and frozen product forms—including canned tuna, Alaska pollock and king mackerel. Sales figures for this surge in supermarket sales published in the seafood and food trade press included a greater than 100 percent increase in sales of canned tuna fish compared to the same week last year while sales of frozen seafood increased 65 percent from March 15 to April 26² compared to the same period in 2019.³ However, because restaurant sales accounted for 60 percent to 70 percent of seafood sold in the United States pre-COVID-19, increases in supermarket sales have not offset the loss of the restaurant trade.⁴

The COVID-19 crisis and associated market and international trade disruptions have not only altered the way the seafood industry does business, the crisis also provides an opportunity to rebuild in a way that addresses longer-term systemic challenges. These challenges include reducing the cost of goods for U.S. seafood relative to foreign competition, modernizing or expanding U.S. processing capacity to reduce reliance on foreign processing of U.S. seafood (especially China), expanding domestically sourced supply by making full use of wild harvest catch and developing U.S. aquaculture, pivoting to new product forms and market delivery techniques, and generating greater demand for U.S. seafood through generic seafood marketing and promotion. Support for these transitional actions will help the seafood industry rebuild more quickly and to increase industry resilience to potential future crises and market shocks.

Sector-by-Sector Breakdown

For U.S. wild-caught commercial fisheries, fisheries reliant upon the Chinese and other Asian markets were immediately and significantly impacted by COVID-19 as demand collapsed in key markets. The rolling closures of restaurants across states and other social distancing measures beginning in March primarily affected fresh, high-end products, including lobster, swordfish, tunas, halibut, sablefish, snapper, oysters and other shellfish, sold mainly to restaurants and food service sectors. Some seafood products are more resilient to the current events because they are processed into “shelf stable” product forms (such as frozen, canned, or ready meals), sold through retailing outlets, or frozen into blocks for future processing. Sharp declines in market demand for fresh product through the customary supply chain has resulted in fishermen in several regions attempting direct-to-consumer sales or changing product forms. Fisheries waiting for seasons to open or those peaking this summer will be affected if demand remains low (*e.g.*, Alaska and West Coast salmon, tunas and swordfish).

For U.S. marine aquaculture, shellfish farming on all coasts of the United States has virtually shut down. Especially hard hit are markets for live oysters, geoduck, and other shellfish and associated hatcheries that are not receiving seed orders for the spring. A two-to three-month impact will cause some operations to close, however, the general feedback from industry was that most operations will weather a

¹ From 2015–2019, China was the United States’ top export country for the January through May timeframe. China was the second largest source of seafood imports into the United States for this period.

² See, for example, <https://www.undercurrentnews.com/2020/05/04/opinion-can-tuna-sustain-us-through-and-after-this-pandemic/>

³ Source IRI, Inc. as cited in <https://www.theshelbyreport.com/2020/05/09/frozen-food-sales-top-50-gains-versus-year-ago/>

⁴ National Marine Fisheries Service (2018) Fisheries of the United States, 2017. U.S. Department of Commerce, NOAA Current Fishery Statistics No. 2017 Available at: <https://www.fisheries.noaa.gov/feature-story/fisheries-united-states-2017>

crisis of this duration but warned that longer impacts could cripple the domestic shellfish industry for several years (or more).

U.S. seafood dealers and processors, especially those that rely on fresh and high value products typically sold by restaurants, have been severely affected by the collapse in market demand. Some processors are not buying and fish houses with full freezers are unable to buy more product, reflecting the fact that the increased sales of frozen products at supermarkets did not offset the drop in demand by the restaurant and food service sector.

For recreational for-hire operations, for-hire and party boat operations have ceased in many states and have been significantly curtailed in the remaining states due to social distancing measures, stay-at-home orders, and travel restrictions. Southern states (states in the Gulf of Mexico and South Atlantic regions), California, and Hawaii, which have strong demand for trips during the March to April timeframe, have been particularly affected. In addition to current closures, all states reported cancelled future bookings. While to date, layoffs have been limited in this sector, many operations have sharply reduced employees' hours to reduce costs. Shore-side businesses have also been negatively impacted; a number of tackle shops, marinas, boat rentals/dealers, restaurants and hotels have closed or are operating on sharply reduced hours.

For exports of U.S. seafood, initial impacts of COVID-19 in China in late January led to decline in U.S. seafood exports to China of 31 percent and 44 percent compared to January and February of the previous year.⁵ The fresh seafood export trade has virtually stopped, including shellfish (lobster, crab, oysters, and geoduck). The lack of airline flights and inability of ships to land product (*e.g.*, ports in the European Union and Asia are currently backed up) have also curtailed demand.⁶ New information indicates that China is resuming or may soon resume purchases of U.S. seafood products such as geoduck and West Coast groundfish species; however, lack of airline flights may still hamper shipments.

Implications for the Future of the Seafood Industry

As illustrated above, COVID-19 effects are already having significant impacts on the seafood supply chain, including but not limited to U.S. harvesters (wild and farmed), seafood dealers and processors, seafood wholesalers and distributors, and the recreational for-hire sector. Harvesting, processing, and distribution have been curtailed for many products and in some cases have ceased in response to restaurant and other closings throughout the country and globally. Further, the industry's outlook in the coming months is highly uncertain. Overall, our initial analysis of industry impacts indicates that the scale and scope of the effects of COVID-19 on the entire sector are broad.

The 2020 COVID-19 crisis also created a turning point for the U.S. and global seafood industry and created new long-term opportunities as well as challenges to expanding our sustainable domestic seafood sector. The long-term impacts of COVID-19 will likely be felt for a while as people, agencies, businesses, and other parts of society adjust to a new reality. NOAA Fisheries will use this information to assess the immediate and long-term needs to secure and enhance the resilience of the U.S. seafood and fisheries industries.

CARES Act Financial Assistance and Other Relief

We would like to thank Congress for their attention to the negative effects from COVID-19 on the seafood and fishing industries. Recently, the Secretary of Commerce announced the allocation of \$300 million in fisheries assistance funding provided by Sec. 12005 of the Coronavirus Aid, Relief, and Economic Security Act, also called the CARES Act, to states, Tribes, and territories with coastal and marine fishery participants who have been negatively affected by COVID-19. NOAA Fisheries is working aggressively to ensure that these funds can be distributed to fishery participants as fast and fairly as possible. NOAA Fisheries will use these allocations to make awards to our partners—the three interstate marine fisheries commissions, Puerto Rico, and the U.S. Virgin Islands—to disburse funds to address direct or indirect fishery-related losses as well as subsistence, cultural, or ceremonial impacts related to COVID-19. This relief package will help support America's fishermen, seafood farmers, and seafood processors along with a portion of the recreational fishing industry such as charter boat captains. We stand with the men and women

⁵Note that the drop in demand cited may not all be attributable to COVID-19; at this time, it is not possible to determine causality. Seafood trade data available at: <https://www.st.nmfs.noaa.gov/commercial-fisheries/foreign-trade/>

⁶See, for example, <https://www.npr.org/2020/02/25/807422595/some-u-s-farmers-boxed-in-by-coronavirus-outbreak>.

working to provide healthy and safe seafood during this uniquely challenging time, while our U.S. fisheries work to continue to support 1.7 million jobs and to generate \$200 billion in annual sales.

NOAA Fisheries will continue to evaluate the effect of COVID-19 on the seafood industry as the year progresses and as data on economic impacts becomes more readily available across industry segments and regions. Summer is the most important revenue earning season for fishery participants, and NMFS will closely monitor the impacts to industry, and continue to look for ways to support it during these unprecedented challenges.

I would also like to discuss some of the other ways NMFS is assisting the fishing community. In addition to disbursing the CARES Act funding, NOAA Fisheries is providing technical assistance to the U.S. Department of Agriculture (USDA) to expand the range of species purchased by USDA for food assistance programs. Also, NOAA Fisheries' Fisheries Finance Program, which has over \$500 million in outstanding loans to the seafood sector, has modified and extended loan repayments upon request to seafood companies (within the limits and flexibilities of existing authorities) to assist companies with short term liquidity needs. In addition, NOAA Fisheries is working with the regional Fishery Management Councils to closely monitor the COVID-19 situation. There have been a number of requests for emergency actions to help address impacts the industry is facing and we are working through the Council process to address them. In addition, NOAA Fisheries has already implemented some emergency measures that have been recommended by the Councils. We encourage the public to stay up to date by monitoring councils' websites and other media as the COVID-19 situation progresses.

Finally, from the early stages of the pandemic, Sea Grant, a congressionally established partnership between NOAA and 33 university-based organizations that work to create and maintain a healthy coastal environment and economy, has worked with the National Marine Fisheries Service Office of Aquaculture to identify the most critical areas in which it can assist the aquaculture and seafood communities. Sea Grant worked with their state programs to identify priority topics for the aquaculture industry, including: (a) developing response plans for recovery; (b) education and implementation of previously developed knowledge or tools directed towards improving cash flow and business sustainability (*e.g.*, product storage techniques, direct marketing best practices for fishers; cooperative research; etc.); (c) assistance with accessing other relief programs (*e.g.*, the CARES Act), including assisting stakeholders with business records and loss documentation; and (d) developing processes to make industries more resilient against future disruptions to their respective supply chains.

The National Sea Grant Office (NSGO) is also committed to supporting local response to the challenges listed above by investing a total of \$3.4 million in Fiscal Year (FY) 2020 funds. Summaries of funded projects will be posted on the Sea Grant website, and will be provided to the relevant committees and Member offices. Additionally, the NSGO has created a webpage (<https://seagrant.noaa.gov/seafood-resources>) to provide pertinent and timely information and resources to the U.S. seafood industry—both wild harvest and aquaculture. While content is currently focused on challenges related to COVID-19, this page will continue to serve as a valuable resource to the U.S. seafood industry well into the future.

Executive Order Promoting American Seafood Competitiveness and Economic Growth

On May 7th the President signed a new *Executive Order Promoting American Seafood Competitiveness and Economic Growth*. This historic Executive Order will propel the United States forward as a seafood producer by strengthening the American seafood economy; improving the competitiveness of American industry; ensuring food security; providing environmentally safe and sustainable seafood; supporting American workers; and ensuring coordinated and transparent Federal actions. The 2020 COVID-19 crisis has created a turning point in the way the seafood industry does business and—in addition to other efforts and financial support—this Executive Order and the funding available through the CARES Act creates new opportunities to address long-term challenges to expanding our sustainable domestic seafood sector.

In particular, the Executive Order gives added emphasis to increasing production of America's wild caught fisheries, opening export markets, strengthening international requirements for sustainable fishing, and renewing efforts to expand responsible U.S. aquaculture production. These actions will be taken without compromising America's world-class marine stewardship and environmental requirements.

Conclusion

We will continue to work to understand and mitigate the immediate and long-term impacts of the COVID-19 pandemic on U.S. fisheries and our Nation's living marine resources. Longer term, NOAA will explore ways to rebuild and create a U.S. seafood industry that will be more resilient to future market, environmental, or other shocks.

The CHAIRMAN. Thank you very much, Dr. Doremus. And now, we call upon Ms. Leann Bosarge, Council Member of the Gulf of Mexico Fishery Management Council. Ms. Bosarge, are you joining us from Tampa today?

Ms. BOSARGE. No, sir. I am joining you from the great State of Mississippi today.

The CHAIRMAN. All right, OK. Where are you?

Ms. BOSARGE. Pascagoula, Mississippi.

The CHAIRMAN. Very good. Well, thank you very, very much for joining us and your testimony has been received already. We ask you to summarize it in approximately 5 minutes, please ma'am.

**STATEMENT OF LEANN BOSARGE, COUNCIL MEMBER, GULF
OF MEXICO FISHERY MANAGEMENT COUNCIL**

Ms. BOSARGE. Thank you, Mr. Chairman, and members of the Committee. I would like to thank you for inviting me to speak to you today. As I said, my name is Leann Bosarge from Pascagoula, Mississippi, and I hail from a long line of commercial fishermen. My parents started taking my sisters and I out shrimping at a very young age and I spent my fair share of time in engine rooms with my daddy rebuilding engines. But I also went on to become the first member of my family to earn a college degree, two of them in fact, working at the family business all the while.

These days, I am on land most of the time doing a little bit of everything, new business development, corporate taxes, or prepping for Coast Guard inspections. And over the years, the family business has grown to a fleet of five trial vessels which shrimp throughout both the Gulf of Mexico and the South Atlantic. Now for the topics of today's hearing. First topic, the effect of COVID-19 on the seafood industry. Well, it turns out the bulk of U.S. consumers buy their seafood in restaurants not grocery stores. When restaurants closed and stopped buying from fish houses, fish houses had to stop buying from the fishermen. Boats were tied to the dock and the industry was out of work.

As the restrictions on restaurants were eased, fishermen were able to make a few fishing trips here and there but markets dictated they catch fewer fish at lower prices. Seafood markets have barely begun to thaw and increasing cases of COVID-19 unfortunately mean that they could revert back to a standstill any day now. Second topic you asked us to speak on, the CARES Act. We would like to thank Congress very much for passing the CARES Act and including a pool of funds that were directed to commercial fishermen. The fishing industry also appreciates capping of administrative fees. There is also a high value placed on transparency in determining allocations and timeliness in dispersing the funds. Third topic, building a more resilient seafood industry.

So the virus revealed the kinks in our seafood supply chain. It taught us that our markets are too limited and that our National

seafood policy cannot continue with a bias toward the side of tainted imports. So here are my top four ideas for addressing these issues. Number one, increasing testing of imported seafood to ensure it does not contain banned chemical substances. In 2015, 99.9 percent of seafood imported into the U.S. was not tested for banned substances. Increase testing by the EU, on the other hand, has led to a diversion of these tainted products to U.S. markets.

Increased testing will improve food quality for our citizens and level the playing field for our domestic fishermen. Decades of depressed shrimp prices caused by cheap imports have contributed to a generation of children choosing not to follow in their parents footsteps and become shrimpers, instead leaving their heritage for a different career. This graying of the fleet, as it is called, is a sad state of affairs and I implore you to make the increased testing of imported seafood a priority. Idea number two, country of origin labeling on restaurant menus Nation—hear me out on this. Marketing the superiority of wild caught domestic seafood has led to an educated seafood consuming public in the U.S. They know they prefer domestic product.

Unfortunately, they don't always know if they are in fact eating domestic seafood at restaurants. I am sure all of you are thinking about creative ways to direct money to the restaurant industry right now. How about a tax credit for restaurants that provide country of origin labeling for seafood on their menus? The tax break for restaurants would be a win-win for the restaurant industry, the seafood industry, and the American seafood consumer. Idea number three, establish the infrastructure for a nationwide online seafood market place. Think of it as a virtual farmers market for seafood.

COVID-19 has brought about a paradigm shift in how our fishermen reach consumers, but we need a nationwide platform these fishermen can utilize to market their products. Think of Etsy. The Etsy platform allows the artisan to reach an exponential member number of customers because Etsy boosts the online efforts of that individual artisan to a whole other level because Etsy is recognized nationwide as a one-stop shop for home artisan products. Since seafood is a public resource, this platform shouldn't belong to a private entity. And please expand the role of the seafood trade task force established by Executive Order 13921 and make the creation of a nationwide virtual farmers market for seafood part of their mission.

Final note, number four, support of young fishermen development programs. It is time for us to let our young people know that fishing is a viable career path. The young fishermen development programs being founded around the country are excellent vehicles for participation at career fairs in middle schools, in high schools to plant that seed as young people begin to think about their future.

Vocational training programs should be expanded to include commercial fishing as a desirable career. The Young Fishermen's Development Act can help resurrect our heritage. Mr. Chairman, I look forward to working with you on these and many other ideas to strengthen our domestic seafood industry.

[The prepared statement of Ms. Bosarge follows:]

PREPARED STATEMENT OF LEANN BOSARGE, COUNCIL MEMBER, GULF OF MEXICO
FISHERY MANAGEMENT COUNCIL

Mister Chairman and Members of the Committee, my name is Leann Bosarge, and I'd first like to thank you for inviting me to speak before you today. As a brief background on myself, I hail from a long line of commercial fishermen, who over the years have harvested everything from butterfish and red snapper to oysters, crabs and shrimp. I grew up working at our family business, Bosarge Boats, which owns and operates a fleet of trawl vessels, *i.e.*, shrimp boats, which fish the waters of both the Gulf of Mexico and the South Atlantic. I was the first member of my family to earn a college degree—of course working at the family business all the while. After college, I carried out my mother's wishes to at least try another industry, I spent a few years working for a publicly traded financial institution, before returning to my true love—the commercial fishing industry and the family business. In 2013, I was appointed to the Gulf of Mexico Fishery Management Council and was honored to be elected and serve as Chairman of the Council from 2016 to 2018. I'm currently in my third term on the Council as a voting member, and I am honored to have had the opportunity to share in shaping the future of our fisheries and ensuring their long term, science-based sustainability.

Gulf perspective on the short and long-term impacts of COVID-19 on the seafood industry

There is not an industry in this country that has been unscathed by COVID-19, but I feel it important to first acknowledge those who have lost loved ones as they have endured the greatest sacrifice.

The COVID-19 pandemic has resulted in a wide range of adverse socio-economic impacts on the Gulf of Mexico seafood industry. These impacts are still unfolding and include significant decreases in ex-vessel landings, employment losses, disruptions to the supply chains of seafood products, price decreases and sizeable reductions in revenues across all nodes of the supply chains for most seafood species landed in Gulf of Mexico.

As restaurants continued to close, orders of seafood products began to decrease and in some cases disappear. In turn, the depressed demand for seafood products by restaurants has led seafood dealers to drastically reduce or temporarily suspend orders from commercial fishermen. In reaction to the reductions in orders from dealers, commercial fishermen had to adjust their operations downward. These adjustments continue to include decreases in the number of commercial fishing trips taken, drops in the quantity of fish harvested per trip and reductions to the number of crew members taken out on a given fishing trip. This sequence of events continues to adversely impact employment prospects throughout our supply chains.

In the following sections, I will briefly discuss the impacts of the COVID-19 pandemic on the commercial finfish and shrimp sectors, with a particular emphasis on changes in ex-vessel landings and revenues. The detrimental effects on the seafood industry are still unfolding, due to the continuing evolution of this pandemic. In the Gulf of Mexico, the National Marine Fisheries Service (NMFS) through its South East Regional Office (SERO) and South East Fisheries Science Center (SEFSC) are designing or conducting studies to evaluate these effects. At a state level, through their state fisheries departments or sea grant and extension services, the five constituting states are developing or are conducting ongoing surveys to assess the impacts of the pandemic on their respective state fisheries sectors. Therefore, examples and data included in my testimony rely on regional and Gulf-wide data from NMFS or state-specific data, depending on availability.

For finfish fisheries, there is a general downward trend in ex-vessel landings associated with economic losses borne by commercial fishermen due to decreases in ex-vessel revenues. Compared to the first half of 2019, ex-vessel revenues from finfish for the first 6 months of 2020 have decreased by 23 percent in the Southeast region, which includes the South Atlantic and Gulf of Mexico.

Examples of individual Gulf of Mexico reef fish species with noteworthy reductions in ex-vessel landings and revenues during the same time interval include greater amberjack and yellowtail snapper. For greater amberjack and yellowtail snapper, ex-vessel landings decreased by 46 percent and 51 percent, respectively. Associated decreases in greater amberjack and yellowtail snapper ex-vessel revenues were 42 percent and 55 percent, respectively.

Preliminary data from a University of Florida and Florida Sea Grant survey of about 300 commercial fishermen provide an example of the devastating impacts of the COVID-19 pandemic on commercial fisheries at the state level. Survey respondents reported a 74 percent average revenue loss due to the pandemic. Subsets of respondents including reef fish or coastal migratory pelagic fishermen reported aver-

age losses in revenues of 76 percent and 72 percent, respectively. In an accompanying survey, Florida seafood wholesale dealers report, on average, 70 percent revenue losses due to COVID-19.

A survey administered by the Louisiana State University Agricultural Center, Louisiana Sea Grant, and Department of Wildlife and Fisheries illustrates revenue losses and reductions in employment borne by seafood dock owners and dealers in Louisiana. Preliminary survey results indicate a 51 percent average decrease in revenues among respondents during the first quarter of 2020 compared to the first quarter of last year. Survey respondents also reported a loss of all foreign personnel and a 55 percent average decrease in full time employment. Losses in employment were somewhat mitigated as dealers and dock operators converted some of the laid off full time workforce to part-time.

In the University of Florida and Florida Sea Grant survey I mentioned earlier, survey respondents who are commercial shrimp fishermen reported 63 percent average revenue losses due to the COVID-19 pandemic. According to the Southern Shrimp Alliance (SSA), a shrimp industry organization, aggregate shrimp landings in the Gulf of Mexico during the first six months of 2020 were the lowest ever recorded in the Gulf of Mexico. The SSA further indicates that Gulf shrimp landings during the first half of 2020 were about 38 percent lower than the previous 18-year average for landings.

In addition to these effects, because commercial fishermen and dealers can no longer primarily rely on orders from restaurants and institutional clients such as corporate clients, large venues, event organizers, and universities, the traditional repartition of seafood consumption between seafood consumed away from home and seafood bought at retail outlets for in-house consumption has been upended. According to the *Washington Post* (Laura Reiley, April 8, 2020), U.S. consumers spend approximately twice as much on seafood consumed away from home relative to seafood bought in grocery and retail stores for in-house consumption. The proportions of seafood consumed away from home and seafood products bought at retail for in-home consumption are approximately 70 percent and 30 percent, respectively. In a July 20, 2020 article, *Seafood News*, a seafood trade magazine, notes that with the advent of the COVID-19 pandemic, the percentage of seafood products consumed at home has increased by as much as 20 percent. The persistence of such a trend could result in seafood consumed at home representing as much as 65 percent of the total seafood consumption. The increase in the relative importance of in-house seafood consumption may offer future opportunities to develop retail markets. However, the development of reliable and profitable market relationships with retailers is not without challenges for commercial fishermen. While commercial fishermen primarily concentrated on supplying seafood to restaurateurs, retail chains heavily relied on imported seafood to satisfy their customer demand. Therefore, domestic commercial fishermen would have to compete with cheaper imported product to further develop relationships with the retail sector.

CARES Act

On May 7, 2020, the Secretary of Commerce announced the allocation of \$300 million in fisheries assistance funding provided by Sec. 12005 of the Coronavirus Aid, Relief, and Economic Security Act, also called the CARES Act, to states, Tribes, and territories with coastal and marine fishery participants who have been negatively affected by COVID-19.

The purpose of the CARES Act allocation is to provide timely financial relief to commercial fishermen, seafood wholesale dealers, charter fishing businesses, and marine aquaculture businesses that have suffered financial losses as a result of the COVID-19 pandemic. While this financial relief is much needed in the Gulf of Mexico, to date no funds have been made available to the affected industry participants. It is anticipated most state spend plans will be drafted by the states by mid-July. Those plans will then be reviewed and approved by NOAA before money is distributed to those impacted. On behalf of the Gulf of Mexico Fishery Management Council, I would like to encourage an expedited effort to make these funds directly available to the intended recipients to mitigate financial losses and prevent further harm to Gulf of Mexico fishermen.

Under this Act, NOAA Fisheries has allocated \$28M in support of Gulf of Mexico Fisheries to the Gulf States Marine Fisheries Commission. An additional \$23M has been allocated to Florida (both east and west coasts) through the Atlantic States Marine Fisheries Commission. The Gulf of Mexico Fishery Management Council looks forward to the positive impacts resulting from the CARES Act but is not directly involved in the administration of funds or programmatic activities.

The Gulf States Marine Fisheries Commission is working with Texas, Louisiana, Mississippi and Alabama to develop spend plans on how the allocated funds [Lou-

isiana (\$14,785,244), Texas (\$9,237,949), Alabama (\$3,299,821) and Mississippi (\$1,534,388)] will be distributed to qualified fishery participants. As noted above, Florida has been allocated \$23,471,286 through the Atlantic States Marine Fisheries Commission. Please note that the final allocations are slightly less due to administrative costs for NOAA Fisheries and the Commission. I am also grateful for the foresight of leaders in capping the administrative fee percentages which could be deducted from these funds, thereby ensuring that a greater portion of the funds will end up in the hands of the fishermen affect by the pandemic.

Priorities for Future Legislative or Administrative Action

The strength of our U.S. domestic fisheries lies in management that is based on science. In the Gulf of Mexico, many of our fisheries are currently harvested at the maximum sustainable amount allowed by the biological science. Legally mandated catch limits protect the health of our stocks today and also ensure that our fishermen's livelihoods and our Nation's seafood supply are sustainable into the future. One of the most important priorities for the future of domestic commercial seafood is to diversify our supply chain and expand our target markets. The need for diversifying our supply chain has been laid bare this year as the seafood industry has been heavily impacted from the closures due to COVID-19 described above. Promoting commercial fishing and increasing the demand for our domestic product will increase American jobs, both primary and secondary jobs, strengthen the American economy via the increased revenues, and add to our Gross Domestic Product (GDP). Over the last 10 years, the value of seafood imported into the United States has increased by \$7.3 billion,¹ reflecting growing demand for seafood in this country. Meeting this increased American demand with domestically produced seafood, as opposed to imported seafood, will create lasting gains for commercial fishing in this country and ensure our national food security.

The following are some ideas for future legislative or administrative action that will strengthen the domestic commercial fishing industry as well as our national economy. The Gulf Council brainstormed and formulated a list of ideas at its last meeting in the context of recommending actions to promote American seafood competitiveness and economic growth, in response to Executive Order 13921. The Gulf Council will continue to discuss these and other ideas in greater detail and will formalize its recommended proposals at a future Council meeting. Many of these ideas were on the initial list formulated by the Gulf Council, but the further fleshing out of these ideas below is specific to the commercial industry and does not necessarily reflect the Gulf Council, which has not had an opportunity to contribute its thoughts to today's hearing.

Increased Testing of Imported Seafood

Testing of imported seafood should be increased to ensure that FDA standards are met and that imports do not contain prohibited chemical substances, such as banned antibiotics, which is prevalent in imported seafood species, especially shrimp. These substances are added to enhance yield and to produce the product more cheaply, but can cause health concerns and often displace domestic seafood products in restaurants and grocery stores. In Fiscal Year 2015, the U.S. Food and Drug Administration tested just 0.1 percent of seafood entry lines for the presence of veterinary drug residues.² In contrast, the European Union (EU) requires that 50 percent of all shipments of farmed seafood from India be tested for veterinary drug residues prior to being allowed into the EU market.³ Worse, as the EU has increased its testing to prevent access of contaminated shrimp to its markets, the EU's efforts to protect European consumers have led to the diversion of these tainted exports to the U.S. market, which lacks the more stringent testing. Increasing the testing of imported seafood would therefore improve the quality of imported seafood and ensure that our domestic fishermen are competing on a fair playing field by rejecting contaminated product. Therefore, I humbly request that Congress consider prioritizing funds towards increased testing of imported seafood.

Country of Origin Labeling for Seafood on Restaurant Menus Nationwide

The closures due to COVID-19 revealed that a significant amount of our domestic seafood is consumed in restaurants rather than purchased at grocery stores to be

¹U.S. International Trade Commission's *Dataweb* for the value of merchandise exported under Chapter 3 of the Harmonized Tariff Schedule of the United States as well as under HTSUS codes 1603, 1604, and 1605.

²See U.S. Government Accountability Office, *Imported Seafood Safety: FDA and USDA Could Strengthen Efforts to Prevent Unsafe Drug Residues*, GAO-17-443 (Sept. 2017) at 19.

³See Commission Implementing Decision 2016/1774 of 4 October 2016.

prepared at home.⁴ Although labeling the country of origin for seafood imports is required in grocery stores, it is not generally required in restaurants.⁵ As consumers have become more conscientious about the source of their food, demand has increased for domestic wild caught seafood. Unfortunately, consumers have no way of knowing the source (*i.e.*, country of origin) of what they are served at a restaurant. It's time to establish a nationwide policy for restaurants to inform consumers on the origin of seafood menu items so American consumers can make informed decisions on their seafood choices, the majority of which occur in restaurants. Given we are in the throws of a pandemic, maybe this effort could begin initially with a tax incentive, *i.e.*, stimulus, for restaurants willing to place country of origin labeling for seafood on their menus. In this way, both the restaurant industry and the domestic commercial seafood industry gain. At the point in time when this temporary stimulus effort is set to expire, an evaluation can be made of the willingness of restaurants to engage in this type of reporting for consumers. If it seems the country of origin labeling was in fact palatable to the restaurant industry, then maybe legislation requiring it across the board would not be burdensome at that future date.

Establishing the Infrastructure for a Nationwide Online Seafood Marketplace

Consumers have become more conscientious about the quality and source of their seafood, creating an opportunity to promote the diversification of the supply chain and expansion of target markets by connecting consumers to fishermen and fish houses. With agency assistance, infrastructure could be established for an online platform to help the industry better market its product and to facilitate access for consumers nationwide. Such a direct sea-to-consumer platform would also strengthen the domestic seafood supply chain. The Seafood Trade Task Force created by the recent Executive Order 1392 would serve as an excellent starting point for such a project, and I hope the scope and mission of that group will be expanded to allow them the freedom to pursue this and other endeavors which may strengthen the resilience of our domestic seafood industry.

Put Domestic Seafood on Public School Lunch Menus and Prohibit Imported Seafood on Public School Lunch Menus

Our domestic seafood target market should be diversified to include public school lunch menus, in a real and meaningful way, across the country. It is shameful that our children are not receiving ample seafood in school. What children eat is important, and they should eat balanced diets at school—which includes seafood as a protein option. The quality and healthiness of our school lunches lags behind consumers' broader movement towards healthy food choices, which could be addressed by providing a healthy, low-fat protein source. Add to this the fact that domestic wild-caught seafood is naturally fortified with vitamins and minerals that are essential for children's growth and development, both physical and mental. And yet, even the cheapest of seafood options cannot be found on the lunch menu in most of our public schools. In addition to promoting our children and grandchildren's health, it will also promote food security for the future by the creation of a long-term, stable demand source for domestic seafood.

Support of Young Fishermen Development Programs

For many years, commercial fishing has been a generational pursuit, with the children of fishermen often following in their parents' footsteps. However, for some time, the average age of participants in U.S. domestic fisheries has been increasing while labor recruitment into domestic fisheries has been waning, termed "the graying of the fleet" in commercial fisheries. This has led to labor issues in supplying domestic seafood to the U.S. marketplace. We need to let our young people know that commercial fishing is a viable profession and add this career path to vocational training programs. In pursuit of this, Young Fishermen Development Programs are being established around the country. I'm proud to say the Gulf of Mexico

⁴"Americans spend more than twice as much on seafood in restaurants as they do at home." Laura Reiley, *Commercial Fishing Industry in Free Fall as Restaurants Close, Consumers Hunter Down and Vessels Tie Up*, Washington Post (Apr. 8, 2020), available at: <https://www.washingtonpost.com/business/2020/04/08/commercial-fishing-coronavirus/>

⁵Because of a loophole in the agency's administration of the law, seafood markets do not have to comply with the U.S. Department of Agriculture's Country of Origin Labeling (COOL) requirements for seafood unless that market purchases more than \$230,000 worth of fresh or frozen agricultural produce in a calendar year. This means that labeling rules only really apply in grocery stores. As the USDA explains on its website "Retail firms such as fish markets and butcher shops, as well as small stores that do not sale the threshold amount of fresh produce, are exempt from country of origin labeling requirements." See USDA, *Country of Origin Labeling (COOL) Frequently Asked Questions*, available at: <https://www.ams.usda.gov/rules-regulations/cool/questions-answers-consumers>

has recently populated such a group and is already getting to work fleshing out what its program will look like. These Young Fishermen Development Programs will be paramount; they will be the ones putting in the long hours on the ground with our young people and educators to put these plans into action. To achieve long-term viability for the industry, the professionalization of the industry requires support and appropriations. For example, a Bill referred to this Committee last year, the Young Fishermen's Development Act,⁶ would provide grants to support new and established local and regional training programs for young fishermen. Such programs would provide vocational training for our young people in the U.S. and include fisheries as a desirable career path.

Rewriting of USCG Safety Requirements—Making Them Region Specific

The United States Coast Guard Alternative Safety Compliance Program for Commercial Fishing Vessels began with the best of intentions, however, its one-size-fits-all approach to safety for commercial fishing vessels across the Nation has led to protocols which many times do not address the true nature of the safety concerns in a particular region. In the Gulf of Mexico, it is not vessels sinking which cause the bulk of our fatalities. Therefore a program, like the Alternative Safety Compliance Program, which is aimed at ensuring the utmost structural integrity of the vessel to prevent sinking, is not what is needed to save lives in the Gulf region. The main driver of fatalities in the Gulf of Mexico is individual instances of one crew member falling overboard. Due to the relatively small crew size on Gulf vessels (usually 1–4 crew on board); an individual falling overboard often goes unseen, leading to a considerable amount of time passing before the search begins. If the intent is really to save lives of commercial fishermen, the current Alternative Safety Compliance Program should be repealed and replaced by a program with a regional approach tailored to addressing the drivers of fatality in each region. In the Gulf of Mexico, such a regional program could go a long way to reducing fatalities, *i.e.*, improving safety at sea, by focusing on life jackets that crew will realistically wear while working, swimming skills and emergency shut offs for the winch—rather than costly standards for the physical integrity of vessel. Regional working groups, which allow and encourage substantial participation by commercial fishermen, should be formed with the mission of rewriting the USCG Alternative Safety Compliance Program for Commercial Fishing Vessels in order to address the drivers of fatalities unique to each region in an attempt to earnestly save the lives of those we love.

Reduce the hypoxic zone (dead zone) in the Gulf of Mexico

Hypoxia, or oxygen depletion, is an environmental phenomenon where the concentration of dissolved oxygen in the water column decreases to a level that can no longer support living aquatic organisms. The formation of hypoxic zones may be rapid but once formed may persist for months or longer. For marine organisms this may result in movement from the affected area, reduced growth rates, or large-scale mortality events (*e.g.*, fish kills) that impairs sustainable fisheries and reduces primary production and health of marine ecosystems. Hypoxia can occur naturally or result from human activities and hypoxic zones are becoming more common worldwide. The Gulf of Mexico hypoxic zone is the largest human caused dead zone in the United States and the second largest in the world. The maximum extent of this dead zone encompassed 8,500 square miles in 2002 and has averaged 5,300 square miles over the last 30 years. The primary cause is the discharge of nutrient enriched freshwater from the Mississippi River from approximately 41 percent of the land area of the contiguous United States, ranging as far west as Idaho, north to Canada, and east into New York State. These nutrient enriched waters of the Mississippi River flow directly into the northern Gulf of Mexico.

Nutrient concentrations of nitrogen and phosphorous in the Mississippi River discharge have increased dramatically in recent decades and are caused primarily by the increased use of fertilizer to support agricultural activities. In the northern Gulf of Mexico, this nutrient enrichment leads to phytoplankton blooms and eventually hypoxic zones as the decomposing marine life depletes the available oxygen. This reoccurring dead zone in the Gulf of Mexico negatively affects marine ecosystems and the fisherman that depend upon the living resources in this area for their livelihood and as a source of recreation and food production for the Nation. Meaningful action to reduce both point and non-point nutrient inflows into the Gulf of Mexico is necessary to promote conservation and sustained benefits of this region to the Nation in terms of economic activities, continuance of traditional fishing engagement, and as an important food source for the Nation.

⁶<https://www.congress.gov/bills/116/congress/116th-congress/senate-bill/496>

Here again, I realize that farmers have felt the detrimental economic impacts from COVID-19 just as fishermen have. Regulations requiring large scale action by farmers to reduce runoff would exacerbate the current economic strain in the agricultural industry. Therefore, a carrot would be much better served than a stick. Here again is an opportunity to provide a possible (temporary) tax incentive, *i.e.*, stimulus, to farmers who can show investment in capital expenditure projects which have a reasonable expectation of resulting in reduced nutrient rich runoff. This creates a win-win for both farmers and fishermen. I truly believe that if we can ever get the ball rolling in a meaningful way, we will begin to turn the tide on nutrient runoff and create even greater sustainability for both our farmers and our fishermen.

No Further Areas Closed to Commercial Fishing Outside the Purview of the Magnuson-Stevens Fishery Conservation and Management Act

Around the nation, commercial fishermen have lost access to many areas that they have traditionally fished. Reducing the fishing grounds accessible to our fishermen through area closures which occur outside the Regional Fishery Management Process is an impediment that creates an undue burden on domestic seafood production. Yet, whether the intended benefits of these area closures are met often remains unclear years after the closures are established. In my opinion, any closure of Federal waters to fishing (or regulations which have the same effect as fishing closures, such as prohibitions on the use of specific fishing gear types in an area or rules regarding transit of these areas) should take place through the rigorous scientific process carried out under the purview of the Regional Fishery Management Councils and the Magnuson-Stevens Fishery Conservation and Management Act, as opposed to the National Marine Sanctuaries Act or the Antiquities Act. This would ensure that due consideration of affected fisheries be given in evaluating if those fisheries can be sustainably harvested and managed in a manner that does not compromise the broader objectives of the spatially protected area.

The CHAIRMAN. Thank you very much for that excellent statement. And now we recognize Ms. Cora Campbell. Are you with us, Ms. Campbell?

Ms. CAMPBELL. Yes, Mr. Chair, I am.

The CHAIRMAN. And where are you joining us from?

Ms. CAMPBELL. Unfortunately. I am not in the great State of Alaska today. I am joining you from Seattle.

The CHAIRMAN. Still pretty early.

Ms. CAMPBELL. Yes.

The CHAIRMAN. Thank you so much for joining us and you are recognized for 5 minutes.

STATEMENT OF CORA CAMPBELL, MEMBER, NORTH PACIFIC FISHERY MANAGEMENT COUNCIL; AND PRESIDENT AND CEO, SILVER BAY SEAFOODS

Ms. CAMPBELL. Thank you, Mr. Chairman, Ranking Member Cantwell, and members of the Committee. I really appreciate this opportunity to testify today on the impacts of COVID-19 on the Alaska seafood industry. As I was introduced, I am Cora Campbell. I am here today as a member of the North Pacific Fishery Management Council, and I am also President and CEO of Silver Bay Seafoods, which is a fisherman owned Alaskan seafood processor. The North Pacific Council, as you know, manages some of the largest fisheries in this Nation.

We support a strong commercial fishing industry and we provide critical food security for America. And a great concern to our Council this year was the cancellation of five of six large-scale no assessment surveys off Alaska due to COVID-19. These surveys are our fundamental data source to support our stock assessments. They are NOAA's most critical responsibility to meet its mission of moni-

toring the health and sustainability of marine resources and their habitats. These surveys are necessary to support fishing at optimum yield and they directly impact the amount of fish that we can harvest. The less uncertainty there is, the greater the harvest potential. So given the data gap that was created by missing these surveys in 2020, the Council has been clear that the full suite of core surveys for 2021 is an absolute imperative. We recently sent a letter to NOAA requesting a full 2021 survey plan. All of our core surveys need to be conducted in 2021.

The plan needs to provide for COVID-19 contingencies and there needs to be a plan for full funding of these stock assessments. We need this plan from NOAA in order to ensure that our Council can meet its responsibilities under the Magnuson-Stevens Act to provide for optimum yield and to maintain the domestic production of seafood. And I want to make it clear that I share these concerns and make these comments with the utmost respect for our partners at the Alaska Fisheries Science Center and the challenges that they are facing. I would also like to address the Committee today as a representative of the shoreside processing sector. As you probably know, Alaska's wild seafood harvest supports nearly 60,000 jobs and generates almost \$14 billion in U.S. economic output each year. And we are proud of the fact that we are supplying Americans with healthy sustainable protein, but our industry faces challenges on multiple fronts.

Since well before COVID-19, our industry has been struggling in the face of tariffs that limit our access to and our competitiveness in the world's biggest seafood market. We faced uncertainty in securing a workforce for our large volume fisheries, we faced habitat threats due to proposed development projects, and now the pandemic is adding additional costs and uncertainties. And I want to express our great appreciation that early on seafood processing was recognized as essential critical infrastructure and my appreciation for how quickly Congress worked to direct funding to the seafood industry, because in a short period, Alaska seafood processors have spent tens of millions of dollars implementing proactive health and safety measures to ensure that we're minimizing the risk to the communities that we operate in, that we are protecting our workforce, and that we are maintaining our operations.

So these costs include things like initial quarantines for up to 18,000 workers that we bring to Alaska for the summer season, testing, often multiple tests for every worker, medical professionals onsite at our plants, personal protective equipment, medical and sanitation supplies, modifications to our plants to increase the distancing and the protection on the processing lines, security to ensure that our facilities remain closed to protect our communities, and even chartering aircraft to move our workers safely.

And so we are taking on these tens of millions of dollars' worth of costs while we are facing severe disruptions to our key markets and they are adding on top of our multiple pre-COVID cost burdens. And we are facing uncertainty in this sector because there is no specific Congressional directive to support these costs for the critical seafood supply chain. So as you consider a second Relief Act, we would strongly urge you to authorize funding and spending authority for these COVID-related costs for the seafood industry,

and we would consider it an investment in protecting health and safety, keeping these seafood processing jobs, which enables us to purchase seafood from thousands of independent fishermen thereby protecting their jobs and the Nation's food supply.

And I want to just close by thanking you for your attention to the seafood industry and the complex and large-scale impacts that we are enduring across the Nation during this pandemic. And working together to address these challenges, we believe, will allow us to continue to operate safely to adapt to our market challenges, address our foreign trade issues, and keep Alaska seafood flowing to protect America's food supply. Thank you.

[The prepared statement of Ms. Campbell follows:]

PREPARED STATEMENT OF CORA CAMPBELL, MEMBER, NORTH PACIFIC FISHERY MANAGEMENT COUNCIL; AND PRESIDENT AND CEO, SILVER BAY SEAFOODS

Mr. Chairman and members of the Committee, thank you for the opportunity to provide testimony today on the impacts of COVID-19 on the Alaska seafood industry and what's needed to build a stronger and more resilient seafood sector. My name is Cora Campbell, and I'm here today as a member of the North Pacific Fishery Management Council. I'm also President and CEO of Silver Bay Seafoods, an Alaskan seafood processor with operations across the state of Alaska including Bristol Bay, False Pass, Kodiak, Prince William Sound, and Southeast Alaska. The North Pacific Council manages the majority of fisheries in the U.S., supporting a strong commercial fishing industry, culture, and community and providing critical food security for America.

Speaking as a Council member, a great concern to the Council this year was the cancellation of five of six large-scale NOAA assessment surveys in Federal waters off Alaska due to COVID-19. These surveys serve as our fundamental data source to support groundfish stock assessments and ecosystem assessments and are NOAA's most critical responsibility to meet its mission of monitoring the health and sustainability of living marine resources and their habitat. To be clear, these surveys are our primary data source to support fishing at optimum yield and directly impact the amount of fish that we can harvest—the less uncertainty there is, the greater the harvest potential.

The Council is concerned with the potential consequences of not conducting surveys in 2020 due to COVID-19 challenges, which will be even more severe if 2021 surveys are not completed. At our June meeting, our scientific advisors noted that loss of the 2020 surveys will increase uncertainty in stock status and projections. This may result in more conservative harvest levels, particularly for crab, Alaska pollock, Pacific cod, and some rockfish species. These are primary species in the North Pacific, encompassing valuable crab stocks, and groundfish species that comprise more than 82 percent of our total harvests in the Bering Sea and Aleutian Islands. Rapidly changing distributions and populations in recent years, particularly for Alaska pollock and Pacific cod, increases the importance of the baseline NOAA survey effort.

The Council is hopeful that our long survey time series and NOAA's investments in modeling and other data sources will temper the effect of one missing survey year but completing 2021 surveys is an imperative. The Council has been clear that the full suite of core surveys for 2021 would necessitate 5 to 6 vessels to cover three geographies: one vessel for the Northern Bering Sea; two vessels for the Eastern Bering Sea, and 2 to 3 vessels for the Gulf of Alaska. We recently sent a request to NOAA for a survey plan for 2021 that includes all of our planned core surveys, and that provides for COVID-19 contingencies related to vessel operations and labor, as well as a plan for funding. We need a robust plan for conducting surveys in 2021. This is the greatest need in order to provide for optimum yield from Alaska's fisheries consistent with the Magnuson-Stevens Act, and to increase the domestic production of seafood, a direct objective of President Trump's "Executive Order Promoting American Seafood Competitiveness and Economic Growth."

I'd like to also address the Committee today representing the shoreside processing sector and the Alaska seafood industry. Alaska's annual wild seafood harvest of 5 to 6 billion pounds supports nearly 60,000 jobs and generates nearly \$14 billion in U.S. economic output each year and supplies Americans with healthy sustainable protein. At the same time, our industry faces challenges on multiple fronts that are eroding our economic foundation. Since before COVID-19, our industry has been

struggling in the face of tariffs that limit our access to the world's biggest seafood markets; loss of a critical meal tax deduction; uncertainty in securing a sufficient workforce for large volume fisheries; and habitat threats due to proposed development projects. Now, the pandemic is adding new costs and uncertainties, and exacerbating old ones.

Our industry's focus on health and safety protocols during the pandemic warrants additional attention. In March, DHS rightly recognized seafood processors as "essential critical infrastructure," as did the State of Alaska. As such, we have an obligation to continue to operate in order to help provide the Nation with healthy, sustainable seafood. Given our essential role in the food supply chain, we must be able to operate safely. We have been fortunate to have a state Administration that engaged early in determining public health mandates and protocols for seafood processing operations and other critical infrastructure, to provide and continually adapt guidance to protect both our processing workforce and the rural coastal fishing communities in which we operate. At the same time, we need Congress to prioritize support for safe operations so we can continue our important role as food producers.

In the past several months, Alaska seafood processors have spent tens of millions of dollars implementing proactive health and safety protocols to ensure we are minimizing risks to Alaska communities, protecting our seasonal and resident workforce, and maintaining operations. These costs include implementing initial quarantines for up to 18,000 workers, which can include hotel, food, and daily medical screening; testing (often multiple times) for every worker; hiring medical professionals to provide daily screening and be on-site at plants; PPE; medical supplies; sanitation supplies; modifications to ensure better social distancing on the processing line; security to maintain closed facilities and chartering aircraft to move workers safely. These are significant and unique costs due directly to COVID-19, but they are necessary in order to operate, and protect the food supply chain, the workforce, and Alaska communities.

Remember, the industry is taking on these costs out of pocket at the same time we are facing severe disruption in key markets and multiple pre-COVID cost burdens. While a fraction of these costs may be reimbursed, we face significant uncertainty because there's no specific Congressional directive to support health and safety protocol costs for critical seafood supply chains.

On behalf of Alaska's shoreside seafood processors, we want to recognize Congress for taking swift action to direct CARES Act money to fishermen and the seafood industry. As Congress considers a second relief act, we strongly urge you to clearly authorize funding and spending authority for such costs for the seafood industry, and to ensure that any such financial support extended to farmers and ranchers is also extended to fishermen. This should be seen as an investment that not only protects health and safety, but that also retains seafood processing jobs, enables us to take deliveries of seafood from thousands of independent fishermen, and provides access to healthy American product to seafood consumers.

Finally, as a member of the seafood industry, I must also highlight the role of USDA and how it can help provide financial support through commodity purchases and to address trade impacts. Section 32 purchases are a lifeline to the seafood industry in times like this, and we appreciate any Congressional support of this program. We also appreciate that President Trump directed USDA to consider assistance for "other segments" of the seafood industry as it considers financial support for lobster; because we face the same impacts of the same retaliatory tariffs, we ask for the same consideration.

Thank you for your attention to the seafood industry and the complex and multiple impacts commercial fisheries are enduring across the U.S. during this pandemic. Addressing these challenges will allow us to continue to operate safely in a COVID-19 environment, adapt to long-term market changes and continued foreign trade issues, and keep the Alaska seafood supply flowing to protect America's access to the resource.

The CHAIRMAN. Thank you very, very much Ms. Campbell. And now we turn to Mr. Phil Anderson, Chair of the Pacific Fishery Management Council. Are you there, Mr. Anderson?

Mr. ANDERSON. Yes, Mr. Chairman. I am.

The CHAIRMAN. And where are you appearing from?

Mr. ANDERSON. I am coming to you from Westport, Washington, a small fishing community kind of on the central part of the Washington coast.

The CHAIRMAN. Great. Well you are recognized and we are delighted to have you. Thank you for joining us.

**STATEMENT OF PHILIP ANDERSON, CHAIR,
PACIFIC FISHERY MANAGEMENT COUNCIL**

Mr. ANDERSON. Well, thank you very much, Chairman Wicker, and Ranking Member Cantwell, and all of the members of the Committee. My name is Phil Anderson. I am currently serving as the Chair of the Pacific Fishery Management Council. I am also a Commissioner on the Civic Salmon Commission and I am a past Director of the Washington Department of Fish and Wildlife. As many of you are aware, the Pacific Council manages both commercial and recreational and travel fisheries for about 119 different species, including salmon, various species of groundfish, coastal pelagic, and highly migratory species. The West Coast commercial and recreational fishing industry has definitely suffered from the COVID pandemic in a number of ways, some that are quantifiable, others that are not. There are both direct and indirect impacts, some that I fear will be long-lasting.

For the West Coast commercial fisheries, there has been a \$21 million reduction in exvessel revenue in the period from March through May. When we compare that same period to a 2015 through 2019 base period, that represents about a 40 percent loss. Moreover, income impact estimates are down in all sectors in support of the fishing industry, anywhere from 17 up to 69 percent in decreases in income. Seafood processing plants are a part of our Nation's critical food infrastructure. Seafood markets and supply chains, as has been presented in prior testimony, have been disrupted virtually overnight with the shutdown of restaurants. And as has been also repeated that that represents a significant part of our West Coast processor sales, up to 70 percent. Workplace disruptions caused by positive test cases have caused significant market interruptions.

Temporary closures of facilities have caused economic damages totaling in the tens of millions of dollars. The recreational fishing industry has also suffered significant losses. Economic effects are harder to measure than in commercial fisheries, but angler effort is clearly down to fishery closures, restriction on charter boat operations, port facility closures, and other social distancing requirements. An example of the reduction of angler trips on charter boats and coastal ports in Oregon, Washington are down 67 to 76 percent respectively.

The summer months also appear to be down as people hesitate to travel. Not only the fishing industry has been hurt but so has management. Our web-based Council meetings that we held in April and June, we restricted the agenda until only essential items. That will in turn delay important progress on issues intended to increase efficiency and management as well as provide additional access to unutilized fish that remain in the water. As you have heard from Cora, NOAA, in our case as well, NOAA has also canceled the majority of fishery independent surveys to protect the health and well-being of NOAA's employees, which will as Ms. Cora stated, impact stock assessment data bases and the ability to manage fisheries effectively in the future.

The Civic Council joins with the North Pacific Council in ensuring that NOAA Fisheries has a plan for 2021 so that we can ensure that those trial surveys are done in 2021 and we don't lose a second year of data. The monetary assistance provided in the CARES Act specifically for the seafood and fishing industry is very much appreciated. It is now in the hands of the States developing plans. We believe that we should continue to have oversight from the Federal level in terms of the development of those plans to ensure that the allocations are fair and reasonable across the various sectors of the fishing industry. I have five specific items I would like to recommend to assist the fishing industry to survive and recover from this pandemic. Provide funds to increase West Coast salmon hatchery production.

Hatchery fish are essential to the survival of both commercial and recreational salmon fisheries on the West Coast, but the production has been significantly reduced, particularly in the Pacific Northwest, over the past decade. Two, provide annual funding to the Pacific States Marine Fisheries Commission so they can continue to provide a video review and storage costs associated with the West Coast electronic monitoring program. This is about a \$500,000 annual investment that will directly and immediately benefit the fishery that is expected to take this burden on beginning in 2021. Provide funding to NOAA Fisheries for the trial surveys that I previously mentioned. As I mentioned, the information derived from these surveys are the foundation of our science based management approach. These surveys have been underfunded in recent years and I fear that they will continue to be underfunded if attention isn't paid to the importance of—and how it affects science-based management.

Four is provide funds to offset the cost of human observers. At a cost of approximately \$500 per day per vessel, this would provide immediate assistance to the segment of our West Coast ground fishery that are among the hardest hit by the pandemic. Other sectors would also benefit. Finally, provide funds for an industry directed marketing program designed to help rebuild essential restaurant trade as well as other markets that will be needed to help get ourselves out of the hole that were in with this pandemic.

The industry on the West Coast has proven through a recent cooperative rockfish marketing program that they have the knowledge, the skills, and the abilities to develop such program and recover loss markets. Thank you again for the opportunity to testify before you today and for your efforts to address these urgent and important issues. And I would be pleased to answer any questions that you might have. Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Anderson follows:]

PREPARED STATEMENT OF PHILIP ANDERSON, CHAIR,
PACIFIC FISHERY MANAGEMENT COUNCIL

Chairman Wicker, Ranking Member Cantwell, and Members of the Committee: Thank you for the opportunity to testify today. My name is Phil Anderson and I am the Chair of the Pacific Fishery Management Council.

The Pacific Fishery Management Council is one of eight fishery management councils established by the Magnuson-Stevens Fishery Conservation and Management Act (MSA). The Council has jurisdiction over the U.S. West Coast Exclusive Economic Zone (3–200 miles offshore). The Council manages commercial, rec-

reational and tribal fisheries for about 119 species of salmon, groundfish, coastal pelagic species, and highly migratory species in Federal waters. Our fishery management plans are guided by the National Standards of the MSA, which in part state that we should achieve optimum yield from fisheries for the U.S. fishing industry, consider efficiency in utilization of fishery resources, provide for the sustained participation of fishing communities, and promote safety of human life at sea. These standards provide the context for my comments on the effects of the COVID pandemic on the seafood industry today.

The seafood industry has suffered from the COVID pandemic in a number of ways; some quantifiable, others not, both direct and indirect, long-lasting and short, obvious and subtle.

COVID effects on West Coast commercial fisheries:

Overall, West Coast commercial fisheries are experiencing economic hardship value compared with the 2015–2019 average. From March through May 2020 there has been a \$21 million reduction in exvessel revenue relative to the average for the same period in 2015–2019, representing a 40 percent loss to fishing businesses. Of the 12 fisheries sectors examined, nine are showing decreases.¹ In addition to fewer landing, lower price per pound due to market disruption is also a significant factor affecting exvessel revenue.¹

Income impact estimates are down in all sectors, ranging from -17 percent to -69 percent decreases, averaging -41 percent.¹ In addition to exvessel revenue, income impacts account for earnings by fish processors and those who supply material inputs and services to harvesting vessels and processors, as well as those who earn income when those employed in the fishing industry re-spend their money in the regional economy. The effects are far reaching into coastal communities, and the seafood supply across the Nation.

Seafood processing plants are part of our Nation’s critical food infrastructure and have a responsibility to continue operating. Seafood markets and supply chains were disrupted virtually overnight with the shutdown of restaurants, which is where 60 percent–70 percent of West Coast processor sales went.² Because of market disruption, there are surpluses of things like Dungeness crab in freezers, which will potentially negatively impact the markets long-term.⁴ Workplace disruptions caused by positive test cases have caused significant market interruptions on both the supply and sales sides, limiting delivery schedules and harming the ability to provide domestic seafood products to American consumers. Recent temporary closures of seafood processing facilities owned by Bornstein Seafoods in Astoria, Oregon and Pacific Seafood in Newport, Oregon have caused economic damages totaling in the tens of millions of dollars.³ In order to reopen, processors have had to implement a suite of health and safety protocols and equipment in plants to address workforce safety. Such measures are not only costly but have slowed production.⁴

These closures also affected fishermen as some were forced to go from weekly deliveries to only being able to deliver once or twice a month.⁴ Outbreaks on whiting vessels have meant boats being tied up for weeks, which will make it harder to harvest the available quota.

Trying to account for what is going to happen with the pandemic conditions, prices and markets, labor supply, and the overall ability of businesses to weather the storm and continue to operate introduce a lot of uncertainty in business planning, and likely will continue well into the future.

COVID effects on current and future management:

The COVID pandemic affects not only fishing industries and communities, but also our ability to manage fisheries effectively and responsibly. Due to use of webinar-based Council meetings, agendas were restricted to only essential items for our April and June meetings, delaying progress on important issues intended to increase the efficiency of management frameworks and fishing related businesses. Examples include:⁵

- Improving whiting mothership utilization of quota
- Approving new gear to safely access underutilized rockfish quota
- Revising groundfish sector allocations so quotas are appropriately sized

¹ PacFIN database

² WCSPA OR Senate testimony

³ WCSPA, pers. comm

⁴ MWT setter to Chris Oliver, July 2020

⁵ PFMC Agenda Item C.5 Supplemental Attachment 6 June 2020.

NOAA has also cancelled the majority of fisheries-independent surveys to protect the health and wellbeing of NMFS employees, which will impact stock assessment databases and the ability to manage fisheries effectively in the future.

Finally, salmon harvest models are based on CWT sampling data. Insufficient CWT sampling would eliminate the possibility of using brood years of Chinook and coho encountered in 2020 fisheries in future management cycles, increasing uncertainty in the management process. Reduced CWT sampling would also inhibit our ability to meet and assess obligations for Chinook under the Pacific Salmon Treaty.⁶

COVID effects on West Coast recreational fisheries:

Economic effects are harder to measure than in commercial fisheries, but effort is clearly down due to ramp closures and other social distancing requirements. As examples, bottom fishing charter angler trips for March-May 2020 were down relative to 2015–2019 averages: statewide in Washington were down 76 percent, and in Oregon were down 67 percent.⁷

Conclusions:

The monetary assistance provided in the CARES act specifically for the seafood and fishing industries were much appreciated; although distribution is still pending development and approval of spend plans by the states. Should any COVID related Federal legislation advance, we would appreciate any additional assistance to industry that could be provided, as well as streamlining the distribution process. In addition to immediate relief, there are two issues that will help the long-term recovery from the COVID pandemic that I would like to mention. First, support of West Coast salmon hatchery funding is vital to that fishery sector, as well as supporting ecosystem functions such as prey for endangered Southern Resident Killer Whales. Hatchery funding levels have not kept pace with inflation, reducing production levels and eroding the infrastructure at hatchery and fish passage facilities. Second, the surveys conducted by NOAA and NMFS are the foundation of our science-based management approach. Although we have had some productive discussions with NMFS leadership on this issue, funding has been reduced since Fiscal Year 2018, and West Coast industry contract surveys have been cut in half in some recent years. Furthermore, due to the COVID pandemic NOAA has also cancelled most NOAA Corps surveys on the West Coast this year. It is critical that these surveys are restored or replaced with comparable methods to preserve the integrity of the long-term databases used to assess the status of our managed fish stocks.

Thank you again for the opportunity to testify today, and for your efforts to address these urgent and important issue. I would be pleased to answer any questions you may have.

The CHAIRMAN. Well, thank you very much. And thank all of you. We have learned today that for some reason Americans would rather not cook seafood in their homes. That some 60 or 70 percent of all seafood is consumed in restaurants and other food service establishments. Can we all agree that if we could get the restaurant business back open and running as it had been before, that that would go a long way toward solving our problem in the seafood industry with that. Is that correct, Dr. Doremus?

Dr. DOREMUS. There is a very high degree of interdependence between the seafood industry, harvesters producers of various sorts, and the restaurant industry. As I indicated, previous to the pandemic, 70 percent of sales were directed toward the restaurant and food service industries generally.

So yes, there has been an enormous impact through that channel and the restoration of demand through the restaurant sector would be profoundly important. We are seeing some signs of change in consumer behavior, which is of interest to all of us who care about the health of Americans. A larger portion of seafood in the American diet is a good thing and we hope that a broader array of sales opportunities come out of this pandemic for all U.S. producers.

⁶PFMC Agenda Item E.4.a Supplemental STT Report 2 April 2020

⁷RecFIN database

The CHAIRMAN. Well it is good for you. I had salmon for lunch yesterday as a matter of fact, and I am going to have some seafood at restaurants this weekend. I have—as I mentioned, I have a Restaurant Act that would establish a restaurant revitalization fund. Any of the other witnesses have thoughts in this regard before I move on? Anybody want to volunteer to speak up? Well, then let me ask you then Dr. Doremus, about these the survey cancellations. Did it have to be done to this extent? And what do you have to say about the testimony we have had in that regard?

Dr. DOREMUS. I think the testimony was very compelling, Senator. These are extraordinary times that we're in. I have to say, not very many people ever foresaw such a dramatic event that would affect our ability to do this core work of ours and I think remarks of yours, Ranking Member's comments, and those of the additional panelists here today noted the great dependence of our seafood industry on a healthy survey and stock assessment process.

We have not been able to collect the data in Fiscal Year 2020 that we normally would, and we are fully committed, as was brought up by Ms. Campbell among others, by Senator Cantwell, we are aggressively planning now for Fiscal Year 2021 in light of what was not able to be done in Fiscal Year 2020. We are certainly highlighting areas where we had losses of survey data from Fiscal Year 2020 that will clearly be a priority in areas where we have commercially, highly sensitive stocks at high value, Alaska pollock, cod, West Coast hake, groundfish, and Northeast groundfish.

We also need to worry about resources as well, protected resources, we are very sensitive to data on their welfare such as North Atlantic Right Whales and we have areas where we have extremely high dependence on continuity of data over time to understand ecosystems, how they are evolving, what their impact are—

The CHAIRMAN. Right. And you may want to supplement your answer in writing, but it makes me ask if it had to be diminished to that extent? Ms. Campbell, were there ideas submitted about actually going forward in some way that would have protected the workers involved in these surveys or were they justified and it is just something we have to live with?

Ms. CAMPBELL. Chairman Wicker, thank you for the question. Unfortunately, the Council received notice quite late in the process that the surveys would be canceled for 2020 so we didn't have much of an opportunity to interact with the agency and provide ideas.

But my understanding is that personnel concerns were one of the driving factors and so one of the things that we are hoping that the agency can take into account for 2021 is ways to implement quarantines, testing to protect personnel on survey ships the same way that the industry has had to do, if we are still in a COVID-19 environment, when it is time to take on those 2021 surveys. And that is what we would hope to see in the plan.

The CHAIRMAN. OK. My time has expired. I am going to ask you when we conclude this hearing, and I will take a second round, I will ask you to each comment about if you have had an opportunity to look at the plan, which has been passed by the House of Representatives, in response to COVID and is more or less a Phase 4. If you had a chance to look at the proposal by the White House and

the Republican leadership in the Senate and to give us some ideas about things you like about that that might help the seafood industry and ways that that could be improved. But I will wait for that answer for round two and turn to my friend, Senator Cantwell.

Senator CANTWELL. Thank you, Mr. Chairman. I think the issue you and I are both trying to articulate is we want to see money out the door. I mean, the money has been absolutely appropriated but is it getting into the hands of fishermen and communities that need the help and support? So hopefully we will get an answer on that. And as it relates to stock assessments writ large, look there is a huge opportunity, as the world needs more protein demand, for fish products to play a great role. I think it was Trident that came up with a fish pasta that is now on the marketplace.

There is all sorts of innovations that are happening, and yet, guess what? If you don't have stock assessments, then you are not going to have the fisheries, and if you don't have the fisheries, you are not going to have the product. So there is a way for us to move forward but it all hinges on doing the right science analysis of the stock assessment. So I hope that we will get this right and not wait until 2021. Back to the Pebble Mine issue. I wanted to ask you, Mr. Doremus, about this issue as it relates to NOAA's, what I would call, lack of participation. Obviously the mine built would basically process 1.3 billion tons of ore out of a 608 acre open-pit. The footprint is 8,000 acres with two huge dams that would potentially create acid generating mine waste.

This is always a concern in an area without much water. The water in there would have to be treated perpetually just to get rid of the toxic materials. The mine would result in a permanent loss of over 3,000 acres of wetlands, 55 acres of lakes and ponds, 81 miles of stream, 11 acres of marine waterways. I think there is a picture there you can see. Does that look like a place that we would be putting a mine?

And so the destruction of this habitat, which is critical to the sockeye salmon for the Northwest, is beyond concerning when I look at what U.S. Fish and Wildlife submitted in response to the Army Corps. It basically said, "based on these identifying deficiencies, the draft DIS is inadequate and it precludes meaningful analysis. EPA Region 10 office, "many have a substantial and unacceptable adverse impacts on fisheries resources." So even the Marine Mammal Commission weighed in and basically said, "concerned the construction and operation of Pebble Project would have a significant long-term impacts on wildlife and communities."

So I am trying to understand because I certainly asked Director Jacobs about this. I asked him at his confirmation hearing and he basically said yes, NOAA would participate in the review process. So all I have found from NOAA is that you need more data to understand the Pebble Mine impacts. So could you respond to what NOAA is doing to articulate the concerns about the impacts on fishery sockeye salmon in the Northwest?

Dr. DOREMUS. Thank you, Senator. We certainly do understand your concerns. We have a consultation role through the Endangered Species Act that we are responsible for. This is not an area where I am personally deeply involved and given the extent of your concerns, I think it would be best for us to follow up with more de-

tailed reviews of where we currently stand with this and what our engagement is. We would be happy to answer your question.

Senator CANTWELL. So you are saying you're going to get me a response from NOAA?

Dr. DOREMUS. Yes, I would be happy to do that. It is not an area that I am personally deeply involved in and I would rather consult with folks who are and provide better answers to the questions that you have today.

Senator CANTWELL. Well, I want you to hear that NOAA hasn't fulfilled its role, Mr. Jacobson hasn't fulfilled his role, and there is a lot at stake. Mr. Anderson, is there a lot at stake here?

Mr. ANDERSON. Thank you very much for the question, Senator Cantwell. Well, it is a \$1.4 billion industry that supports thousands of jobs many of which are in the Pacific Northwest, many of which are in Alaska. It supports, as you mentioned, the largest sockeye run in the world. The project, from some of the information I have read from the Army Corps of Engineers, suggest that more than 2,200 acres of wetlands and waters are going to be permanently destroyed along with 105 miles of streams. So from a fishery management perspective and a harvesting perspective and fishery businesses that are dependent on renewable resources, this is a huge concern to those of us here in the Pacific Northwest.

Senator CANTWELL. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Cantwell. Senator Scott.

**STATEMENT OF HON. RICK SCOTT,
U.S. SENATOR FROM FLORIDA**

Senator SCOTT. Thank you, Chairman Wicker, Ranking Member Cantwell for holding this important hearing. This pandemic and the economic crisis it has caused have clearly impacted adversely Florida's fishing industry. The fact that most of our seafoods consumed by Americans is imported from other country clearly should concern us, especially with some of the uncertainty we are dealing with, especially with the issues we are dealing with with communist China.

We clearly need to have a stable supply of seafood. I hope we will take this opportunity to bolster the domestic and sustainable fishing industry and reduce our reliance on global seafood supply chains. Dr. Doremus, as our Nation works to recover from the pandemic and economic toll, access to safe and managed fishing with an additional Atlantic red snapper season in the fall could be a great way to support our economy and our local families. Do you think it is feasible to extend the red snapper season given the sustainability restrictions of NOAA Fisheries?

Dr. DOREMUS. Thank you, Senator. We are currently in the process of working through the——

Senator SCOTT. I can't hear you.

Dr. DOREMUS. Apologies. You have to hit the talk button.

[Laughter.]

Dr. DOREMUS. We are working through updated stock assessment in that area that should give us a greater guidance. We greatly appreciate the collaboration with the State of Florida looking at best available data. I can't predict what the management decisions will be coming out of that but we are, as you well know,

deeply committed as we talked about here today, to evaluating the best available science and making our management decisions based on that.

Senator SCOTT. Now, I got asked more about red snapper season. As Governor, anything other than—probably almost more than anything I ever got asked while I was Governor in my 8 years. In May, President Trump directed Secretary Ross to identify aquaculture opportunities in the U.S. exclusive economic zone to help build our industry and self-reliance. Clearly, with a thousand miles of coastline, Florida should have an opportunity. So what factors do you think we ought to be considering in determining whether we have—there is a potential for an aquaculture opportunity zone?

Dr. DOREMUS. Senator, one of the most important features of the Executive Order that you referenced is the requirement to establish aquaculture opportunity areas. This is a mechanism to use best available science to understand the current and existing uses of ocean space and define areas that are best suited that minimize use conflicts and also are best suited for aquaculture development. So we will be looking very closely. We are stepping down the path right now of implementing that requirement.

Looking at the scientific tools, we have many very new and very powerful tools for making very good citing decisions and involving stakeholders in that process so we understand how to balance existing uses most effectively. So we will be providing additional information later this summer as we go down this path as we think about what regions are good places to start given current conditions, state of the science, industry demands, and other kinds of factors like that.

And we will, from there, use these types of science-based decisionmaking tools to help map out, dots on the map if you will, areas where we can do additional science and prepare the groundwork for subsequent industry permit requests, which would have their own review and evaluation process. We look forward to working with the State of Florida and other coastal states who see great potential in broadening, diversifying our seafood economy and building greater capability to produce U.S. sustainable, safe, and very high quality aquaculture products of all types.

Senator SCOTT. So, right. When that happens, will you come out with ideas of how we can support the growth and self-reliance of the aquaculture industry in the U.S.? Is that part of what you do?

Dr. DOREMUS. Indeed. We are looking at ways to improve the regulatory environment to make it more efficient, to ensure that all the existing regulatory authorities that multiple agencies have are coordinated and efficiently executed so that there are minimal barriers to entry, if you will.

We also have a lot of work we need to do over the long haul to improve the infrastructure for aquaculture industries from species knowledge, hatchery capacity, a lot of factors. Scientific and technical support need to come into play over the long haul to build a stronger industry as well.

Senator SCOTT. By the way, if you go fishing off the coast of Florida right now, you are going to catch some gigantic Goliath groupers. So all my all my friends that are fishermen believe we

have got a lot—got to really look at it. I mean unbelievable growth of Goliath grouper. I am sure you are looking at that also.

My last question is on the lobster industry. Florida, probably like Maine, we are lobster—the lobster industry has really been impacted by the tariffs imposed by the Chinese Government. Senator Rubio and I in the Florida Congressional delegation sent a letter requesting to Secretary Ross, requesting that the Florida commercial fishermen be included in the Lobster Relief Program announced by President Trump.

So what do you think about that and what do you think we can do to better protect our lobster industry? And I assume it is the exact same thing true for Maine, not just Florida, and to make sure that, you know, we can protect them and they can, you know, continue to have a thriving industry.

Dr. DOREMUS. Senator, thank you for your letter. And a formal response to that is in process. You mentioned tariffs on lobster. There has been a lot of attention to that. One of the—back to the Executive Order that you mentioned, one of the important features of that Order is the establishment of a seafood trade task force. That is under way.

The agency has taken input from the public, from industry about the core components of a National trade strategy for our seafood sector and we do believe that that will provide an excellent avenue to address the kinds of considerations that you have raised.

Senator SCOTT. Are you actually looking at the unbelievable number of Goliath groupers that are off our coast now in Florida and the impact it is having on other fish?

Dr. DOREMUS. I am not personally familiar with that. I would be happy to get an answer back to you from our folks in the region who are assessing the health of the abundance and distribution of different species in the Gulf. So we will look forward to getting back to you with a specific answers to the Goliath grouper.

Senator SCOTT. Yes. You wouldn't believe, if you go—I was 40 miles off, back in May, fishing and the size of these groupers that we caught, you can't bring them on the boat or anything, you release them, but they were very big.

Dr. DOREMUS. It is an impressive fish. Absolutely.

The CHAIRMAN. Senator Scott, are you are you finding them in the Gulf and the Atlantic?

Senator SCOTT. I only was in the Gulf fishing. I mean generally—you know, Roger on when I have done it down in the Keys, we have mostly been—we have been—with bonefish and I have not gone very far off. We were—the last one I went was back in May. It was just off of Sarasota and it was, I mean they—and you couldn't get anything else because the Goliath groupers were eating everything else. The guys were complaining about both the size and the number of Goliath grouper.

The CHAIRMAN. So every silver lining has a cloud, I guess. Well, thank you, Senator Scott, for those questions, and Senator Sullivan.

Senator SULLIVAN. Thank you, Mr. Chairman. And again, I want to thank the witnesses. Dr. Doremus, just in the last couple days I have had very useful conversations with Chris Oliver and Dr. Jacobs on this issue of the lost fishery surveys. It is very troubling.

You heard from Senator Cantwell, you heard it from my friend Cora Campbell. And so I have asked for a strong written commitment on this issue for next season, but I want to know, you know, Congress provided additional money for surveys, additional money in the CARES Act to NOAA to ensure continuity of operations, uphold worker health.

Where did NOAA spend that money if you are not spending it on surveys? The State of Alaska did surveys. So to be honest, I was quite disappointed. As you know, the reduction in fishery surveys results in uncertainty and that is not good for any fishery, particularly mine.

Dr. DOREMUS. Senator, we absolutely understand that concern and fully share it. Our inability to survey was certainly not our preference. It was driven by the circumstances and the ability to respond effectively to the requirements for ensuring the health and safety of all vessel participants.

Senator SULLIVAN. No, I understand that, but can you—your bosses have already committed it to me so maybe you should as well, commit to me to work with this committee to make sure that regardless of where we are on COVID next year, certainly hope that we are beyond it and it is in the rearview mirror, but even if we are not, that we have a strong plan on the surveys that you are going to do for certainly the North Pacific fisheries area, but also for the whole country, so we don't have the same situation. Let's get that commitment from you.

Dr. DOREMUS. You absolutely have that commitment, Senator, and we look forward to working with you.

The CHAIRMAN. Senator Sullivan, I do think you are entitled to an answer to the question, was the money spent elsewhere? You asked where the money was spent that has been allocated for the survey.

Senator SULLIVAN. I am curious about that.

Dr. DOREMUS. I would be happy to provide an accounting for the resources that you are referring to—

Senator SULLIVAN. As you know, plussed up above the budget request by NOAA for more money for surveys and my understanding now is that that money can go into next year which is good and that is clear—

Dr. DOREMUS. Yes.

Senator SULLIVAN. But we want to make sure that this is a priority. It is priority for members, both Democrats and Republicans. It needs to be a priority for NOAA. And can you tell me that it is?

Dr. DOREMUS. It absolutely is, Senator, and we do have and will account for the cost that you are asking about. Keeping in mind a couple of things. One is, costs are not zero, even if you can't get out to sea. There are still a lot of costs carrying our staff and carrying the daily requirements of managing vessels. We are carrying forward the unspent funds from 2020 into 2021 and we are absolutely prioritizing the areas that were impacted most, the stock surveys that were impacted most by our inability to get to sea in Fiscal Year 2020.

Senator SULLIVAN. Let me ask Cora Campbell, if you have any other views on the potential impacts, the loss of surveys on Alaskan harvests, and importantly, you talked about it in your opening

statement, the protocols that the seafood processors have been undertaking with regard to health and safety.

We know that there is a lot of spending and costs that relates to this with regard to the pandemic. I was proud to have fought hard and actually authored the language on the \$300 million fund in the CARES Act for our fishermen. We are working now on an additional significant funding in the Heals Act. I hope my colleagues on both sides aisle will support that but can you talk about both the survey issue, Cora, and this issue of additional costs that are being undertaken by our industry?

Ms. CAMPBELL. Absolutely. Thank you for the question, Senator Sullivan. For the North Pacific, we have a long time series with these surveys but losing 2 years of surveys in a row at this point is our specific concern, and we you know—you know for 2020, unfortunately, we are outside the window where we can get those surveys done so we have to focus our efforts on 2021. And I certainly appreciate the agency's recognition that this is a priority. We are still looking for a commitment and a written plan to show how that is going to get done. Certainly other scientific agencies and private industry have done a lot of work on how to operate safely and would be happy to provide any assistance that NOAA needs to feel like they can carry out their core mission while protecting their staff.

And Senator, on the issue of costs, certainly, it has been very expensive for the commercial fisheries industry to operate in the safest way that we can. We just really appreciate your work and the work of your colleagues and Congress in specifically recognizing how severe these impacts have been and the additional costs on the top of the loss of our key markets in food service and the trade barriers and all the other things that we are facing.

So as you go forward with considering another, you know, relief package, we certainly hope that you will continue to recognize the difficulties that we have had in the seafood industry to try to continue to operate safely, to continue to provide markets to independent fishermen and keep them operating with everything that we are facing. So I would be happy to speak to anything more specific that would be helpful to the Committee. Thank you.

The CHAIRMAN. Thank you. Thank you very much, Senator Sullivan. And Senator Blumenthal is next.

**STATEMENT OF HON. RICHARD BLUMENTHAL,
U.S. SENATOR FROM CONNECTICUT**

Senator BLUMENTHAL. Thanks, Mr. Chairman. Thank you for having this hearing and thanks to the panel for being here. Mr. Doremus, as you may know, Connecticut has a storied and historically important shellfish industry which is hanging on by a thread struggling to survive in the wake of this pandemic, unfortunately and in my view inexcusably, that shellfish industry has been excluded from the coronavirus food assistance program. This program was designed for aquaculture and agriculture.

In my view, there is no basis to exclude the shellfish industry. The fact that the USDA and NOAA have determined that certain freshwater producers would be eligible for the coronavirus food assistance program, but that saltwater shellfish producers would be

ineligible is absolutely untenable and unjustifiable and maybe you can give me an explanation?

Dr. DOREMUS. Senator, we certainly share your concern about the impact of coronavirus on the shellfish sector throughout the United States and absolutely on the East Coast and the great State of Connecticut. Our intent going into this, there is food assistance—CARES Act direct industry assistance through a couple of channels. One was as, you referenced, through USDA and another, the \$300 million through NOAA. We originally were trying to make sure that there were appropriate channels so that the resources were very clearly marked for different industries and different segments.

And the intent, as we understood it, was for the shellfish industry to be able to get access to the USDA resources. I cannot speak to the particulars of why that didn't happen. We certainly share your concern. This industry is in a very difficult situation and absolutely needs this kind of assistance.

Senator BLUMENTHAL. Will you commit, and I would appreciate your doing so, that you will initiate a review of this policy because right now this \$30 million industry in Connecticut has been severely threatened by this economic and health care disaster that has swept the country and its impact on these hard-working shellfish growers has been catastrophic. So I am asking that there be a review of this policy.

Dr. DOREMUS. Yes, Senator. We did make that decision in the midst of moving quickly trying to allocate CARES Act and other types of direct assistance and coordinate with other Federal agencies. We clearly need to fix this problem and we will do everything we can to make sure that happens. We have a very good working relationship with the USDA. I don't think this was an intentional policy. We need to understand how we can make sure that things can get done better.

The CHAIRMAN. Senator Blumenthal, just to interject, do I understand this was made by multiple agencies or was it a USDA decision?

Dr. DOREMUS. The decision that Senator Blumenthal is referring to is a USDA decision. And the decision to—there were different sources of funds and we tried to coordinate with USDA. And so our understanding going in is that the shellfish industry would have access to similar types of funding as the \$300 million CARES Act made available to other parts of the seafood sectors—

The CHAIRMAN. And that turned out not to be the case?

Dr. DOREMUS. Yes.

The CHAIRMAN. OK.

Senator BLUMENTHAL. And what I am asking for, Mr. Chairman, and I appreciate your interjecting, is basic fairness here. I recognize that NOAA was not solely responsible, but obviously it is the agency with the scientific expertise that is important to these decisions. And so I think your intervention here and your commitment is extremely meaningful and I appreciate it. And it may have been unintentional, but it was extraordinarily consequential. And folks in Connecticut and frankly around the country who enjoy the products of our shellfish industry are the ones who are suffering.

Dr. DOREMUS. Very much understand, Senator. Share your concern. We will do everything we can to try to get things better.

Senator BLUMENTHAL. Thank you. I appreciate that. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Blumenthal. Senator Thune.

**STATEMENT OF HON. JOHN THUNE,
U.S. SENATOR FROM SOUTH DAKOTA**

Senator THUNE. Thank you, Mr. Chairman. Mr. Doremus, your testimony mentions the President's Executive Order which was signed in May to promote the competitiveness of the domestic seafood sector. Even in landlocked states like South Dakota, it might come as a surprise to people, aquaculture projects are beginning to take shape. And we think there is potential to bring numerous economic benefits to the region. Could you elaborate on how you believe the President's EO will better facilitate the permitting and construction of aquaculture projects?

Dr. DOREMUS. Thank you, Senator. The Executive Order broadly directs numerous Federal agencies to focus on the competitiveness of the U.S. seafood sector as a whole. There is extraordinary demand and need for seafood in the U.S. population. Our market is the second largest market in the world, are growing rapidly and there is strong reason to believe and evidence to point to throughout the country, on new opportunities to expand our existing aquaculture industry, whether it is inland water, freshwater, there is inland contained systems for marine fish, as well as throughout our coastal communities and ultimately in offshore domains, as well.

So we are through—under the direction of the Executive Order, looking at all channels to strengthen U.S. industry, whether it is wild capture improvements or improvements in the ability of aquaculture producers to build stronger businesses and generate greater output for the U.S. market. So there are a range of things in terms of regulatory efficiency, in terms of the science base, in terms of providing technical assets for growth and development of the aquaculture sector as a whole, all of these need to come into play for all forms of aquaculture which are needed to be able to expand the U.S. seafood supply.

Senator THUNE. Well, I would just note that South Dakota soybeans are some of the best in the world and they are used in many products including fish feed.

Dr. DOREMUS. Yes.

Senator THUNE. And you know, I think that there are like I said landlocked states that do have a role to play in aquaculture. And in fact, we have got a company called Prairie AquaTech, which is a technology company has developed a high—developed and patented, I should say, a high-protein fish feed and from soy meal and it is based right in Brookings, South Dakota.

So I just think due to the high demand for their product, they have, you know—they have got a really bright future and they completed construction on a new commercial facility earlier this year that is capable of processing 30,000 tons of feed annually, so I think there are economic benefits, you know, to the United States that are broader than what people might, you know, traditionally assume when it comes to seafood and I hope that we can embrace

some of those is some of the parts of our country embraced domestic aquaculture.

So, and I just say that as a sort of a comment. If you have any observations about the potential economic benefits to the entire country, we would love to hear those too.

Dr. DOREMUS. Absolutely. There is—it is not just the producers, it is all the goods that go into the production of aquaculture products. And as you mentioned there is extraordinary innovation going on in feeds, in the central part of the country and elsewhere. And the industry as a whole, globally, is growing. So while we are trying to, you know, increase production in the United States to provide safe, sustainable locally sourced seafood, there is a globally growing industry as well and many U.S.-based producers of equipment or feed offer a lot of the intermediate goods. It is the entire supply chain that we have to look at.

So, this is a great, great potential for economic development, economic growth that could redound to the benefit of producers throughout the country particularly when they look at it from the vantage point of global seafood markets.

Senator THUNE. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Thune, you and Dr. Doremus make an excellent point. We all have a stake in aquaculture and it is very heartening to hear people from the Great Plains talk about the way they can contribute to this, be part of the supply chain and contribute to economic development where you live also. So I appreciate that. Let me turn now to Ms. Bosarge. How is the weather in Pascagoula today?

Ms. BOSARGE. It is still raining down here, sir.

The CHAIRMAN. OK. Well, it looks pretty out the window there. I don't know if that is a real background or not. You mentioned you have two degrees, where are your degrees from, Ms. Bosarge?

Ms. BOSARGE. The University of South Alabama. I have a bachelor's in business and an MBA.

The CHAIRMAN. OK. You mentioned young fishermen development programs. It is not going to be necessary for all of these folks to have two college degrees is it?

Ms. BOSARGE. No, most definitely not. It is certainly not something that requires a college degree, any sort of commercial fishing. In fact, it is one where on the job training and a very diverse skill set are needed.

The CHAIRMAN. OK, but you are making a point and this is one of the things that that needed to be stressed. This is a good living and it is an area where our economy needs more participation. Is that what you are saying with regard to young fishermen development?

Ms. BOSARGE. Yes, sir. It is. You know, I think that by and large fishing in the past and even now is based on heritage, right? It is something that is passed down from a parent to a child and you know, unfortunately due to things like globalization and imports and depressed prices and a multitude of other factors, we have lost a generation in a lot of our fisheries and when you lose that generation, it has a trickle-down effect.

And so I think it is very important these days to highlight commercial fishing to our young people as a viable career path. We are

not out there telling them that or marketing that. You know, the Waffle House is at their career fairs looking for, you know, management opportunities, but we are not as commercial fishermen and I think that is important that we be present and let them know that it is there and also to have those vocational opportunities because there is such a diverse skill set needed to be a successful commercial fisherman on things that you don't think of.

Yes, you have to be able to catch fish but you better be a pretty good mechanic. You better know how to sew. I mean how many people know how to sew these days. You had to be able to mend your nets. You have to know the rules of the road with navigation. I think that is where a vocational program in our high schools to give those young people a leg up and let them hit the ground running when they go get on a boat would be paramount.

The CHAIRMAN. OK, and then if you would expand a little about your idea about an online farmers market, I found that interesting but didn't have any chance to let you enlarge on that idea.

Ms. BOSARGE. Yes, sir. Thank you very much. So we have seen efforts by our commercial fishermen to find a way to reach that consumer in an environment now where unfortunately the restaurants are operating at reduced capacities or not operating at all. We have seen pop up farmers markets in vacant parking lots in Louisiana. I think their sea grant facility there has a Louisiana direct seafoods with an online marketplace of sorts. Individual form of fishermen are, you know, creating their own online opportunities, but someone may stumble across their individual website somewhere.

What we need to help them is with an economy of scale and they would be given that with a National online marketplace infrastructure, right, that could be developed where fishermen could come in and out of that as they please when they have product to sell, but there would always be product available and the consumer would be able to go to that one stop shop as it were and find product from Alaska, find shrimp from the Gulf of Mexico, or scallops, you know, from the Atlantic, whatever they may choose instead of having to go here, there, and yonder and pick and choose.

So that was kind of my idea and I thought the task force, the seafood trade task force, if their mission could be expanded a little bit so that it doesn't focus purely on international trade, but actually trading on our U.S. markets too, we could really strengthen our domestic seafood supply chain with efforts such as that.

The CHAIRMAN. When was that Executive Order issued? Do you know?

Ms. BOSARGE. I want to say May but I don't have it in front of me.

The CHAIRMAN. OK.

Ms. BOSARGE. Go ahead, I am sorry.

The CHAIRMAN. Well, you can supply that to us but I want to give you an opportunity and a verbal answer is not required from any of you, but I mentioned at the end of my round one questions, then I would give you an opportunity to tell us what was right and what was wrong and what was perhaps missing in the Democrat plan that has been passed by the House of Representatives and the Republican plan that has been issued by the Majority Leader and

the Administration, and what suggestions you have as we go forward, because we hope to do this relatively quickly in the next, I would say, in the next seven to eight days? So any suggestion from you, Ms. Bosarge and then we will go to the other two remote witnesses.

Ms. BOSARGE. Yes. Thank you, Mr. Chairman. So I am not familiar with the different versions, but I can speak generally to this. So our industry is obviously still suffering and very fragile. So we hope going forward, you know, if you are looking at direct support still, that you will remember the fishing industry. Unfortunately, we feel like things will probably get a little worse before they get better and it is very possible that our markets will freeze up completely again, if things continue to get worse the way they are right now.

So that would be the direct support that I would speak to but then there is indirect support as well that I think could hopefully be placed into some of this legislation. You mentioned, you know, fishermen being tied to the restaurants and I would say for restaurants that serve domestic seafood, we are most definitely tied at the hip to those restaurants.

Our two industries are highly correlated and we the pandemic has made that very obvious. So I think if there is any way to provide a tax credit or some other type of stimulus to restaurants that are willing to put country of origin labeling for seafood on their menus, that would be amazing. I hope that it could provide better information for the seafood consuming public as well as for our industry, the seafood industry, and provide a benefit to the restaurant industry at the same time. And then I want to speak to one other item.

You all mentioned that USDA purchases of domestic seafood and you know, maybe there was a little hiccup with that in the past. But I hope that that will most definitely be revisited. In my written testimony, I actually mentioned domestic seafood on the lunch menu in our public schools in a real and meaningful way going forward. Maybe some of those USDA purchases, if they can be aimed at seafood, domestic seafood, we could provide that to our school children in a more meaningful fashion going forward.

That is important to me as a member of the seafood industry because it will create a stable demand for our seafood products hopefully for the long term if it continues but it is also important to me as a mother of three. You know, I work my behind off to make sure that my children eat balanced meals that are full of the right nutrients that they need for development.

Seafood is a product that is naturally fortified with all those vitamins and minerals that children, young children need for development and I think it should be a big part of our public school system. So thank you, Mr. Chairman.

The CHAIRMAN. Right, and I have been part of an effort just in recent days to move our school lunch program toward shrimp but for some reason they were viewing it as a luxury food much like lobster. There is no reason in the world why we shouldn't be serving our public school lunch students nutritious shrimp and domestic seafood. So thank you very, very much for that. Now, then turning to either Ms. Campbell, do you have some last suggestions for

us about what we might be looking for in Phase 4 of the COVID response legislation other than what you might have already had a chance to talk about?

Ms. CAMPBELL. Yes, I do, Mr. Chairman. Thank you. I have talked about the need for, you know, the specific recognition of costs for health and safety and the need to recognize that. I would also like to echo, you know, the comments that others have made about how critical the USDA purchases are for our industry in providing additional markets so any additional support and speaking for the North Pacific the most critical products that the USDA purchases that help our industry are the salmon and the pollock purchases.

If there has been mention of the Executive Order on lobster and the specific recognition in that Executive Order of the trade impacts on the lobster fishery was really striking to us because it is a direct explanation of what our fisheries have been dealing with, with the trade impacts and so any work that you may be able to do to ensure that that gets expanded and that that work that is directed under that order expands to deal with other fisheries that are experiencing the same impact of the trade discussions that have been ongoing.

And really I would just say that anything that you can do to recognize that commercial fishermen and the commercial fishing industry are America's food producers. There are—it has been mentioned today but there are at times programs made available to farmers and ranchers that could quite possibly be expanded to cover commercial fishermen as well. And given that we are all in the business of producing food for Americans, I think that commercial fishermen should more often be recognized as America's food producers and included in some of those programs. That would include our access to the H-2A Visa Program to address some of our workforce needs.

And you know you had mentioned early on in your comments, Mr. Chairman, how our industry is so tied to restaurants and that there is not enough domestic consumption of seafood in folks' homes. And now that people are cooking more at home, we have seen a reduction in demand. And I think that there has been some discussion on going about a National seafood council that might help educate Americans about the nutritional benefits of seafood. Might bring it into more homes in our country and have more of our products consumed domestically if there was more generic marketing.

We have a great public-private partnership in Alaska called the Alaska Seafood Marketing Institute that does that for Alaska products, but perhaps some consideration of whether that is necessary nationally to provide not only more economic activity and diversity for seafood producers, but more traditional benefits to Americans when they are cooking at home. Thank you, Mr. Chair.

The CHAIRMAN. Thank you very much. Mr. Anderson.

Mr. ANDERSON. Yes, thank you very much, Mr. Chairman, for the opportunity to speak again on these very important topics. I do have a couple of other thoughts, some of which just re-emphasize things that I mentioned in my opening remarks. First of all, I have not had a chance to carefully review the phase 4 legislation. I

would be happy to do that and provide any remarks back to the Committee that seem appropriate.

I have been around a long time. I have seen a lot of disaster relief programs come and go. I think this one that we are in now is really unprecedented in terms of the size and scope of the economic and social disaster that is associated in the fishing industry connected with the COVID pandemic, and so what I am trying to include in my recommendations were things that I thought would both address some short-term things that could be done to provide immediate assistance to put dollars into the pockets or keep dollars from going out of the pockets of fishermen that are hard hit with the combination of markets being greatly reduced, opportunities to sell fish greatly reduced.

The price of fish that are being paid our fishermen is down in a big way and you have those things coupled with a couple of additional requirements of expenditures such as the video storage and review costs that I mentioned associated with our electronic monitoring program that has been paid for by the Government through the Pacific States Marine Fisheries Commission that is scheduled to be—that responsibility scheduled to be transferred to the industry. It is about a \$500,000 a year investment to be made to help these fishermen weather this storm, if you will, to get through this.

There is also I talked about the cost of human observers. Again, we have our traditional groundfish trawl fishery that a many or much of their product is going directly to the restaurants that we are talking about here. Giving them some relief on the \$500 a day cost that they have associated with the requirement to have observers is another thing that could put money directly and quickly into the pockets of our fishermen to help them. We have also got the same thing at our processors where we have the shoreside samplers at the processing plant and those facilities.

So there are some things that can be done that will directly and immediately provide some economic relief to our commercial fisheries. I also mentioned the salmon hatchery production there particularly through Mitchell Act that I won't speak further on but that is another place from a longer-term perspective to help both the commercial and recreational fishing industry come out of this on the West Coast. Westport, the community I live in, is a kind of a microcosm of what the industry is up and down the coast. We have both a strong recreational fishery here component that motels and restaurants and charter offices and boat ramps and all of the infrastructure that goes with that. And those stocks assessments we talked about are important to maintaining a healthy ground fishery for the recreational fishery as well as the commercial fishery as well as having a healthy salmon runs.

And just maybe last is the marketing program. Leann spoke a little bit about that and I think Cora did too. We have got some great expertise and the industry has demonstrated the ability to cooperate between a cross between fishermen and processors and we have a lot, you know, a lot of more direct sales that individual fishers are doing but I think we have opportunities if we can provide them some resources to build upon what they have already done here on the West Coast in terms of rebuilding the rockfish markets as a result of the rebuilding of those species.

We have got a lot more rockfish being harvested and so there's a real opportunity for the industry to be successful there. I very much would just reiterate the comment of others, the appreciation of looking at the needs of the commercial fishing industry as you develop the disaster relief packages and would ask you to look at some of these other opportunities as a way that can quickly and directly provide financial assistance to the industry. And again, thanks very much for the opportunity to provide those comments.

The CHAIRMAN. Thank you very much for that, and let me just say, the three of you are appearing today on behalf of organizations and councils and feel free to ask them to submit written suggestions. With regard to the restaurant industry, which I think we all agree is vital, if any of your organizations, the three councils that you represent, if you would like to weigh in on the Restaurants Act which provides for a restaurant revitalization fund, now would be a good time to hear a position from each of your counsels about that.

And Senator Tim Scott of South Carolina has been able to include in one of the packages 100 percent business deductibility for meals at restaurants for the rest of the time of this COVID pandemic. So that is another proposal that we would—if you are for that or against it, if you think it is a good idea or not so great, hearing from your councils about those two legislative proposals, which are being considered even today, would be most helpful. Dr. Doremus, you get the last word if you would like to.

Dr. DOREMUS. Senator, thank you. And I think the perspective and recommendations of some of the other panelists on your closing question offered enormous and very valuable input to the Committee for further consideration as the Nation grapples with the effects of the COVID pandemic on the seafood sector. Clearly immediate stimulus is highly beneficial. The CARES Act provided \$300 million to an industry a set of sectors, that a total about \$42 billion in revenues annually, about 2 percent.

If we were to see something equivalent to the level of CARES Act support that went into land based agriculture, that was more than 5.5 percent, just for reference. And a number of panelists and others have pointed to the need for direct assistance buying programs. Our own fishery finance program offers some ways to reduce costs to existing participants and fisheries. These are all techniques for providing immediate assistance to help industry get through an extraordinarily disruptive time.

I do think we also need to be thinking long-term about both the recovery and the long-term resilience of the U.S. seafood sector as a whole. We need to diversify, Senator. We need greater sources of supply. We need more diverse species. We need to de-risk our supply chains. We need to transition to new product forms as was mentioned earlier today. We need wider and different distribution channels. We need to coordinate in a pre-competitive way our marketing and promotion to seafood as a whole.

It was mentioned many times the extraordinary health benefits of a greater portion of seafood in the diet, as you are well familiar with yourself, and that is another real policy imperative for the Nation. A stronger healthier population, a more secure source of seafood supply, and safe, sustainable, domestically sourced seafood are

great long-term benefits to the Nation. And the manner in which we help recover can put us on a more solid path with those kinds of changes and the type of scientific and technical support that we can help provide, the grant resources that we can help provide to be able to ensure that that transition moves in a direction that benefits the Nation as a whole. Thank you, Senator.

The CHAIRMAN. Thank you very much. We have had excellent witnesses today. It was a good hearing and we collected valuable information. The hearing record will remain open for two weeks. During this time, Senators are asked to submit any questions for the record as soon as possible but no later than Wednesday, August 12, 2020. Upon receipt, the witnesses are requested to submit their written answers to the Committee as soon as possible but no later than Wednesday, August 26, 2020.

And with that the hearing is concluded with the thanks of the witnesses.

[Whereupon, at 11:36 a.m., the hearing was adjourned.]

A P P E N D I X

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DAN SULLIVAN TO
PAUL DOREMUS

Background. During the hearing, you stated, “the agency has taken input from the public and from industry about the core components of a national trade strategy for our seafood sector,” and later, “we need to coordinate in a precompetitive way on marketing and promotion of seafood as a whole”. The expectation is that NOAA will do this in consultation with the seafood industry.

Question 1. Can you share concrete actions and clarity for how NOAA has consulted (or plans to consult) with the seafood industry on this?

Answer. In July 2020, the Federal Register published a *notice* inviting the U.S. seafood and fishing industry to submit comments and suggestions for the newly-established Interagency Seafood Trade Task Force (the Task Force), which will be co-chaired by the Office of the United States Trade Representative (USTR) and the U.S. Department of Commerce. The Task Force stems from the Presidential Executive Order (EO) signed May 7, 2020, on *Promoting American Seafood Competitiveness and Economic Growth*. The Task Force will work to support fair market access for U.S. seafood products through trade policy and negotiations.

Pursuant to the May 7 EO, USTR is working closely with interagency partners to develop a comprehensive interagency seafood trade strategy. The strategy will identify opportunities to improve access to foreign markets through trade policy and negotiations; resolve technical barriers to U.S. seafood exports; and otherwise support fair market access for U.S. seafood products. Submitted comments from the seafood industry are *available online*.

Background. Given the myriad of challenges currently facing the fishing industry, fishermen are badly in need of increased collaboration between agencies to navigate these unprecedented times. For example, the recent memorandum, *Protecting the U.S. Lobster Industry*, emphasizes supporting the lobster industry while completely ignoring the identical tariffs present on other forms of American seafood. The continuing impacts of Chinese retaliation on Alaskan seafood have been devastating to countless small businesses, as well.

Question 2. How can NOAA work to ensure increased collaboration between other agencies, such as USDA, to ensure a cohesive and comprehensive approach to the damages incurred by hardworking Americans?

Answer. NOAA has been working collaboratively with agencies, such as the U.S. Department of Agriculture (USDA), to ensure a coordinated approach to compensating damages incurred by fishermen. On June 24, 2020, the President issued a Memorandum on Protecting the United States Lobster Industry, which tasked the USDA to consider taking appropriate action, to the extent permitted by applicable law, to provide assistance to fishermen and producers in the United States lobster industry that continue to be harmed by the People’s Republic of China’s (PRC) retaliatory tariffs. In addition, it tasked USDA to consider including, to the extent permitted by applicable law, the U.S. lobster industry and other segments of the U.S. seafood industry in any future assistance provided to mitigate the effects of the PRC’s retaliatory trade practices. USDA has since announced \$530 million in direct support for commercial fishermen through the Seafood Trade Relief Program (STRP), which includes numerous seafood commodities including lobster, pollock, and crab. NOAA Fisheries provided technical expertise to USDA in support of their development of this program. NOAA Sea Grant also assisted USDA implement STRP by providing technical assistance to stakeholders through localized engagement and information sharing.

Background. On May 27, 2020, NOAA announced their decision to cancel five of six large-scale research surveys off Alaska in 2020 citing concern for crews and public health safety. Reduced surveys are highly concerning, particularly in a high level of climate uncertainty and change. These surveys provide data on species abundance

and are used to set fishing quotas. During this same time, NOAA has declined to maintain waivers for observers present on commercial fishing boats.

Question 3. How can NOAA justify cancelling these critical surveys to keep their staff safe, while still requiring observers to be present onboard commercial fishing boats when that runs a risk to crews and public health too?

Answer. Preparing for and deploying a fisheries survey poses significant challenges that renders them different from deploying observers to a fishing vessel. Fishery surveys are complex undertakings that require the coordination of many moving parts (including staging activities, ordering parts/upgrades, shipping the gear, loading supplies, equipment, fuel) all while ensuring the health and safety of multiple crew and researchers at each step.

On a survey mission, the moving parts must all be coordinated before embarking on the vessel. They have recently been made more challenging by the:

- restricted access to laboratories for instrument repair and calibration (and even if accessible, associated delays due to social distancing, group size, etc.);
- closing of businesses/providers (and the associated backlogs in orders after reopening results in delays in receiving/shipping components, etc.);
- evolving health ordinances after spikes in COVID cases (which affects our crew members ability to participate, *e.g.*, if they are primary caregivers or are in certain risk categories) increases the uncertainties in the decisions that we face;
- the required travel from the ships' science crew from their home-base to the ship itself (across States and at times to/from remote areas) adds requirements based on possibly multiple local and State ordinances;
- and others.

This cumulative (and non-exhaustive) collection of challenges, combined with evolving safety protocols at each step, results in uncertainties that are different than deploying observers to a vessel.

As we continue to mitigate impacts of COVID-19 cases nationally and within our own agency, we also continue to try to plan for missions this year. Over the past several months, NOAA has been rigorously analyzing various options for conducting surveys this year and are taking a survey-by-survey, risk-based approach.

It is also important to acknowledge that many fishermen have continued their work on the water during COVID-19. As such, observers have also returned to work, generally matching any precautionary measures that vessels are imposing on their crew members. We understand and acknowledge that the need to get back on the water for fishermen is critical to their livelihoods.

Background. A topic of much conversation is the recently released Final EIS for the Pebble mine. The proposed construction of this mine has received much concern due to its location in the headwaters of Bristol Bay, the most productive sockeye salmon fishery in the world.

Question 4. How has NOAA, as fishery managers, participated in the review process for this Final EIS?

Answer. NOAA Fisheries did not submit comments on the Final EIS for the Pebble Project during the 30-day cooling off period. NOAA Fisheries was not a cooperating agency with the U.S. Army Corps of Engineers on the EIS. We did however provide comments on the Draft EIS during the public comment period related to our trust resources (fish, habitat, and marine mammals). The U.S. Army Corps of Engineers considered those comments in writing the Essential Fish Habitat (EFH) Assessment, Biological Assessment, and Final EIS. NOAA Fisheries has focused its efforts related to the Pebble Mine project on meeting our statutory obligations to consult with the U.S. Army Corps of Engineers under the Endangered Species Act and the Magnuson-Stevens Fishery Conservation and Management Act regarding effects to threatened and endangered species and Essential Fish Habitat, respectively. The U.S. Army Corps of Engineers recently initiated formal consultation with NOAA Fisheries under the Endangered Species Act. We completed the EFH Consultation with the U.S. Army Corps of Engineers in September 2020.

Pebble Mine, as an applicant, may also separately request that NOAA Fisheries authorize incidental take of marine mammals under the Marine Mammal Protection Act, and if so, NOAA Fisheries would discuss the scope of such an authorization with them and render a decision on their application accordingly.