

112TH CONGRESS
2D SESSION

H. R. 6362

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

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 10, 2012

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Revitalizing the Econ-
5 omy of Fisheries in the Pacific Act of 2012” or the “REFI
6 Pacific Act of 2012”.

1 **SEC. 2. FINDINGS; PURPOSE.**

2 (a) FINDINGS.—Congress finds as follows:

3 (1) In 2000, the Secretary of Commerce de-
4 clared the Pacific Coast Groundfish Fishery a Fed-
5 eral fisheries disaster due to low stock abundance of
6 groundfish and an overcapitalized fleet.

7 (2) In 2003, section 212 of the Department of
8 Commerce and Related Agencies Appropriations Act,
9 2003 (title II of division B of Public Law 108–7;
10 117 Stat. 80) was enacted to require establishment
11 of a Pacific Coast groundfish fishery buyback pro-
12 gram to remove excess fishing capacity from the
13 groundfish, crab, and shrimp fisheries.

14 (3) In 2003, a \$35,700,000 buyback loan was
15 authorized by Congress, creating the Pacific Coast
16 Groundfish Fishing capacity reduction program
17 through the National Marine Fisheries Service Fish-
18 eries Finance Program with a term of 30 years. The
19 interest rate of the buyback loan was fixed at 6.97
20 percent and is paid back based on an ex-vessel fee
21 landing rate of 5 percent for the loan.

22 (4) The buyback program resulted in the re-
23 moval of limited entry trawl Federal fishing permits
24 from the fishery, representing approximately 46 per-
25 cent of total landings at the time.

1 (5) Because of an absence of a repayment
2 mechanism, \$4,243,730 in interest was accrued be-
3 fore fee collection procedures were established in
4 2005, over 18 months after the fishing capacity re-
5 duction program was initiated.

6 (6) In 2011, the Pacific Coast groundfish fish-
7 ery transitioned to a catch share program.

8 (7) By 2015, Pacific Coast groundfish fisher-
9 men's expenses are expected to include fees of ap-
10 proximately \$450 per day for observers, a 3-percent
11 cost recovery fee as authorized by the Magnuson-
12 Stevens Fishery Conservation and Management Act
13 for catch share programs, and a 5-percent ex-vessel
14 landings rate for the loan repayment, which could
15 reach 18 percent of their total gross revenue.

16 (8) In the period covering 2006 through 2011,
17 the annual average Pacific Coast Groundfish Fishery
18 ex-vessel revenue was \$85,945,847, which included
19 revenue of at-sea catcher processors, at-sea mother-
20 ship catcher vessels, trawls, open access, and tribal
21 fishing and all other groundfish revenue. Of that
22 revenue, an average of \$45,000,000 was generated
23 by the limited entry trawl fishery.

24 (9) Currently, National Oceanic and Atmos-
25 pheric Administration Fisheries administers indus-

1 try-funded capacity reduction programs in the Ber-
2 ing Sea-Aleutian Islands crab, Bering Sea-Aleutian
3 Islands non-pollock groundfish, and American Fish-
4 eries Act pollock fisheries, along with the Pacific
5 Coast groundfish fishery. Each program has a 30-
6 year, long-term loan repayment period based on fees
7 for future landings in the fisheries.

8 (10) A fifth reduction buyback program was
9 implemented in 2012 for the Alaska Purse Seine
10 Salmon Fishery, which has a 40-year, long-term re-
11 payment period based on fees for future landings in
12 the fishery with an ex-vessel landing rate of 3 per-
13 cent.

14 (11) In the past when fishery disasters have
15 been declared, some fisheries have been issued Fed-
16 eral disaster assistance grants to provide short-term
17 economic assistance to fishermen leaving the indus-
18 try, increased profitability for remaining fishermen,
19 and conservation of fish stocks.

20 (12) In 1996 and 1997, a \$23,000,000 Federal
21 disaster assistance grant was issued for the New
22 England Groundfish Fishery, which was used to re-
23 move 68 multi-species permits and scrap 58 vessels
24 associated with those permits. No loan repayments
25 were required for this grant.

1 (b) PURPOSE.—The purpose of the Act is to refi-
2 nance the Pacific Coast Groundfish Fishery Fishing Ca-
3 pacity Reduction Program to protect and conserve the Pa-
4 cific Coast groundfish fishery, fishermen’s economic liveli-
5 hood, and jobs of associated industries.

6 **SEC. 3. REFINANCING OF WEST COAST GROUND FISH FISH-**
7 **ERY FISHING CAPACITY REDUCTION LOAN.**

8 (a) IN GENERAL.—The Secretary of Commerce shall,
9 upon receipt of such assurances as the Secretary considers
10 appropriate to protect the interests of the United States,
11 issue a loan to refinance the existing debt obligation fund-
12 ing the fishing capacity reduction program for the Pacific
13 Coast Groundfish Fishery implemented under section 212
14 of the Department of Commerce and Related Agencies Ap-
15 propriations Act, 2003 (title II of division B of Public Law
16 108–7; 117 Stat. 80).

17 (b) APPLICABLE LAW.—Except as otherwise provided
18 in this section, the Secretary shall issue such loan in ac-
19 cordance with subsections (b) through (e) of section 312
20 of the Magnuson-Stevens Fishery Conservation and Man-
21 agement Act (16 U.S.C. 1861a) and sections 53702 and
22 53735 of title 46, United States Code.

23 (c) LOAN TERM.—Notwithstanding section
24 53735(c)(4) of title 46, United States Code, a loan under
25 this section must have a maturity that expires at the end

1 of the 45-year period beginning on the date of issuance
2 of such loan.

3 (d) LIMITATION ON FEE AMOUNT.—Notwithstanding
4 section 312(d)(2)(B) of the Magnuson-Stevens Fishery
5 Conservation and Management Act (16 U.S.C.
6 1861(d)(2)(B)), the fee established by the Secretary with
7 respect to a loan under this section shall not exceed 3 per-
8 cent of the ex-vessel value of all fish harvested from each
9 fishery for which the loan is issued.

10 (e) FUNDING.—To implement this section there is
11 authorized to be appropriated to the Secretary an amount
12 equal to 1 percent of the amount of the loan authorized
13 under this section.

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