

Calendar No. 556

113TH CONGRESS
2D SESSION**S. 1275****[Report No. 113–251]**

To direct the Secretary of Commerce to issue a fishing capacity reduction loan to refinance the existing loan funding the Pacific Coast groundfish fishing capacity reduction program.

IN THE SENATE OF THE UNITED STATES

JULY 10, 2013

Ms. CANTWELL (for herself, Mrs. BOXER, Mrs. MURRAY, Mr. MERKLEY, Mrs. FEINSTEIN, Mr. WYDEN, and Mr. BEGICH) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

SEPTEMBER 10, 2014

Reported by Mr. ROCKEFELLER, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italie*]**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 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,*

1 **SECTION 1. SHORT TITLE.**

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

5 **SEC. 2. FINDINGS; PURPOSE.**

6 (a) FINDINGS.—Congress makes the following find-
7 ings:

8 (1) In 2000, the Secretary of Commerce de-
9 clared the West Coast groundfish fishery a Federal
10 fisheries economic disaster due to low stock abun-
11 dance, an overcapitalized fleet, and historically over-
12 fished stocks.

13 (2) Section 212 of the Department of Com-
14 merce and Related Agencies Appropriations Act,
15 2003 (title II of division B of Public Law 108–7;
16 117 Stat. 80) was enacted to establish a Pacific
17 Coast groundfish fishing capacity reduction pro-
18 gram, also known as a buyback program, to remove
19 excess fishing capacity.

20 (3) In 2003, Congress authorized the
21 \$35,700,000 buyback loan, creating the Pacific
22 Coast groundfish fishing capacity reduction program
23 through the National Marine Fisheries Service fish-
24 eries finance program with a term of 30 years. The
25 interest rate of the buyback loan was fixed at 6.97

1 percent and is paid back based on an ex-vessel fee
2 landing rate not to exceed 5 percent for the loan.

3 (4) The groundfish fishing capacity reduction
4 program resulted in the removal of limited entry
5 trawl Federal fishing permits from the fishery, rep-
6 resenting approximately 46 percent of total landings
7 at the time.

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

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

16 (7) By 2015, West Coast groundfish fisher-
17 men's expenses are expected to include fees of ap-
18 proximately \$450 per day for observers, a 3-percent
19 cost recovery fee as authorized by the Magnuson-
20 Stevens Fishery Conservation and Management Act
21 (16 U.S.C. 1801) for catch share programs, and a
22 5-percent ex-vessel landings rate for the loan repay-
23 ment, which could reach 18 percent of their total
24 gross revenue.

1 (8) In 2012, the West Coast groundfish limited
 2 entry trawl fishery generated \$63,000,000, an in-
 3 crease from an average of \$45,000,000 during the
 4 years 2006 to 2011. This revenue is expected to con-
 5 tinue to increase post-rationalization.

6 (b) PURPOSE.—The purpose of this Act is to refi-
 7 nance the Pacific Coast groundfish fishery fishing capacity
 8 reduction program to protect and conserve the West Coast
 9 groundfish fishery and the coastal economies in California,
 10 Oregon, and Washington that rely on it.

11 **SEC. 3. REFINANCING OF PACIFIC COAST GROUND FISH**
 12 **FISHING CAPACITY REDUCTION LOAN.**

13 (a) IN GENERAL.—The Secretary of Commerce, upon
 14 receipt of such assurances as the Secretary considers ap-
 15 propriate to protect the interests of the United States,
 16 shall issue a loan to refinance the existing debt obligation
 17 funding the fishing capacity reduction program for the
 18 West Coast groundfish fishery implemented under section
 19 212 of the Department of Commerce and Related Agen-
 20 cies Appropriations Act, 2003 (title II of division B of
 21 Public Law 108–7; 117 Stat. 80).

22 (b) APPLICABLE LAW.—Except as otherwise provided
 23 in this section, the Secretary shall issue the loan under
 24 this section in accordance with subsections (b) through (e)
 25 of section 312 of the Magnuson-Stevens Fishery Conserva-

tion and Management Act (16 U.S.C. 1861a) and sections
53702 and 53735 of title 46, United States Code.

(c) LOAN TERM.—

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

(2) EXTENSION.—Notwithstanding paragraph
(1) and if there is an outstanding balance on the
loan after the period described in paragraph (1), the
Secretary may extend the loan under the terms pro-
vided in this section.

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

(e) INTEREST RATE.—

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

1 Secretary must pay as interest to borrow from the
2 Treasury the funds to make the loan.

3 ~~(2) SUBLOANS.—An individual who holds a~~
4 ~~subloan under the loan authorized by this section—~~

5 ~~(A) shall receive the interest rate described~~
6 ~~in paragraph (1) on the subloan; and~~

7 ~~(B) may pay off the subloan at any time~~
8 ~~notwithstanding subsection (c)(1).~~

9 ~~(f) EX-VESSEL LANDING FEE.—~~

10 ~~(1) CALCULATIONS AND ACCURACY.—The Sec-~~
11 ~~retary shall set the ex-vessel landing fee to be col-~~
12 ~~lected for payment of the loan under this section—~~

13 ~~(A) as low as possible, based on recent~~
14 ~~landings value in the fishery, to meet the re-~~
15 ~~quirements of loan repayment;~~

16 ~~(B) upon issuance of the loan in accord-~~
17 ~~ance with paragraph (2); and~~

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

21 ~~(2) DEADLINE FOR INITIAL EX-VESSEL LAND-~~
22 ~~INGS FEE CALCULATION.—Not later than 60 days~~
23 ~~after the date of issuance of the loan under this sec-~~
24 ~~tion, the Secretary shall recalculate the ex-vessel~~

1 landing fee based on the most recent value of the
2 fishery.

3 ~~(g) AUTHORIZATION.—There is authorized to be ap-~~
4 ~~propriated to the Secretary of Commerce to carry out this~~
5 ~~section an amount equal to 1 percent of the amount of~~
6 ~~the loan authorized under this section for purposes of the~~
7 ~~Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).~~

8 **SECTION 1. SHORT TITLE.**

9 *This Act may be cited as the “Revitalizing the Econ-*
10 *omy of Fisheries in the Pacific Act” or the “REFI Pacific*
11 *Act”.*

12 **SEC. 2. FINDINGS; PURPOSE.**

13 (a) *FINDINGS.—Congress makes the following findings:*

14 (1) *In 2000, the Secretary of Commerce declared*
15 *the West Coast groundfish fishery a Federal fisheries*
16 *economic disaster due to low stock abundance, an*
17 *overcapitalized fleet, and historically overfished stocks.*

18 (2) *Section 212 of the Department of Commerce*
19 *and Related Agencies Appropriations Act, 2003 (title*
20 *II of division B of Public Law 108–7; 117 Stat. 80)*
21 *was enacted to establish a Pacific Coast groundfish*
22 *fishing capacity reduction program, also known as a*
23 *buyback program, to remove excess fishing capacity.*

24 (3) *In 2003, Congress authorized the \$35,700,000*
25 *buyback loan, creating the Pacific Coast groundfish*

1 *fishing capacity reduction program through the Na-*
2 *tional Marine Fisheries Service fisheries finance pro-*
3 *gram with a term of 30 years. The interest rate of the*
4 *buyback loan was fixed at 6.97 percent and is paid*
5 *back based on an ex-vessel fee landing rate not to ex-*
6 *ceed 5 percent for the loan.*

7 *(4) The groundfish fishing capacity reduction*
8 *program resulted in the removal of limited entry*
9 *trawl Federal fishing permits from the fishery, rep-*
10 *resenting approximately 46 percent of total landings*
11 *at the time.*

12 *(5) Because of an absence of a repayment mecha-*
13 *nism, \$4,243,730 in interest accrued before fee collec-*
14 *tion procedures were established in 2005, over 18*
15 *months after the groundfish fishing capacity reduc-*
16 *tion program was initiated.*

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

20 *(7) By 2015, West Coast groundfish fishermen's*
21 *expenses are expected to include fees of approximately*
22 *\$450 per day for observers, a 3-percent cost recovery*
23 *fee as authorized by the Magnuson-Stevens Fishery*
24 *Conservation and Management Act (16 U.S.C. 1801*
25 *et seq.) for catch share programs, and a 5-percent ex-*

1 *vessel landings rate for the loan repayment, which*
 2 *could reach 18 percent of their total gross revenue.*

3 *(8) In 2012, the West Coast groundfish limited*
 4 *entry trawl fishery generated \$63,000,000, an in-*
 5 *crease from an average of \$45,000,000 during the*
 6 *years 2006 to 2011. This revenue is expected to con-*
 7 *tinue to increase post-rationalization.*

8 *(b) PURPOSE.—The purpose of this Act is to refinance*
 9 *the Pacific Coast groundfish fishery fishing capacity reduc-*
 10 *tion program to protect and conserve the West Coast*
 11 *groundfish fishery and the coastal economies in California,*
 12 *Oregon, and Washington that rely on it.*

13 **SEC. 3. REFINANCING OF PACIFIC COAST GROUND FISH**
 14 **FISHING CAPACITY REDUCTION LOAN.**

15 *(a) IN GENERAL.—The Secretary of Commerce, upon*
 16 *receipt of such assurances as the Secretary considers appro-*
 17 *priate to protect the interests of the United States, shall*
 18 *issue a loan to refinance the existing debt obligation fund-*
 19 *ing the fishing capacity reduction program for the West*
 20 *Coast groundfish fishery implemented under section 212 of*
 21 *the Department of Commerce and Related Agencies Appro-*
 22 *priations Act, 2003 (title II of division B of Public Law*
 23 *108–7; 117 Stat. 80).*

24 *(b) APPLICABLE LAW.—Except as otherwise provided*
 25 *in this section, the Secretary shall issue the loan under this*

1 *section in accordance with subsections (b) through (e) of sec-*
 2 *tion 312 of the Magnuson-Stevens Fishery Conservation*
 3 *and Management Act (16 U.S.C. 1861a) and sections 53702*
 4 *and 53735 of title 46, United States Code.*

5 *(c) LOAN TERM.—*

6 *(1) IN GENERAL.—Notwithstanding section*
 7 *53735(c)(4) of title 46, United States Code, a loan*
 8 *under this section shall have a maturity that expires*
 9 *at the end of the 45-year period beginning on the date*
 10 *of issuance of the loan.*

11 *(2) EXTENSION.—Notwithstanding paragraph*
 12 *(1) and if there is an outstanding balance on the loan*
 13 *after the period described in paragraph (1), the Sec-*
 14 *retary may extend the loan under the terms provided*
 15 *in this section.*

16 *(d) LIMITATION ON FEE AMOUNT.—Notwithstanding*
 17 *section 312(d)(2)(B) of the Magnuson-Stevens Fishery Con-*
 18 *servation and Management Act (16 U.S.C. 1861a(d)(2)(B)),*
 19 *the fee established by the Secretary with respect to a loan*
 20 *under this section shall not exceed 3 percent of the ex-vessel*
 21 *value of the harvest from each fishery for where the loan*
 22 *is issued.*

23 *(e) INTEREST RATE.—*

24 *(1) IN GENERAL.—Notwithstanding section*
 25 *53702(b)(2) of title 46, United States Code, the an-*

1 *nual rate of interest an obligor shall pay on a direct*
 2 *loan obligation under this section is the percent the*
 3 *Secretary must pay as interest to borrow from the*
 4 *Treasury the funds to make the loan.*

5 (2) *SUBLOANS.—An individual who holds a*
 6 *subloan under the loan authorized by this section—*

7 (A) *shall receive the interest rate described*
 8 *in paragraph (1) on the subloan; and*

9 (B) *may pay off the subloan at any time*
 10 *notwithstanding subsection (c)(1).*

11 (f) *EX-VESSEL LANDING FEE.—*

12 (1) *CALCULATIONS AND ACCURACY.—The Sec-*
 13 *retary shall set the ex-vessel landing fee to be collected*
 14 *for payment of the loan under this section—*

15 (A) *as low as possible, based on recent land-*
 16 *ings value in the fishery, to meet the require-*
 17 *ments of loan repayment;*

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

20 (C) *on a regular interval not to exceed every*
 21 *5 years beginning on the date of issuance of the*
 22 *loan.*

23 (2) *DEADLINE FOR INITIAL EX-VESSEL LANDINGS*
 24 *FEE CALCULATION.—Not later than 60 days after the*
 25 *date of issuance of the loan under this section, the*

1 *Secretary shall recalculate the ex-vessel landing fee*
2 *based on the most recent value of the fishery.*

3 *(g) AUTHORIZATION.—There is authorized to be ap-*
4 *propriated to the Secretary of Commerce to carry out this*
5 *section an amount equal to 1 percent of the amount of the*
6 *loan authorized under this section for purposes of the Fed-*
7 *eral Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).*

8 **SEC. 4. DEADLINE FOR REFERENDA.**

9 *Not later than 75 days after the date of enactment of*
10 *this Act, the National Oceanic and Atmospheric Adminis-*
11 *tration shall have completed the referenda under section*
12 *600.1010 of title 50, Code of Federal Regulations.*

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