

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—113th Cong., 2d Sess.

S. 1275

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.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by Ms. CANTWELL

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE.**

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

7 **SEC. 2. FINDINGS; PURPOSE.**

8 (a) FINDINGS.—Congress makes the following find-
9 ings:

10 (1) In 2000, the Secretary of Commerce de-
11 clared the West Coast groundfish fishery a Federal

1 fisheries economic disaster due to low stock abun-
2 dance, an overcapitalized fleet, and historically over-
3 fished stocks.

4 (2) Section 212 of the Department of Com-
5 merce and Related Agencies Appropriations Act,
6 2003 (title II of division B of Public Law 108-7;
7 117 Stat. 80) was enacted to establish a Pacific
8 Coast groundfish fishing capacity reduction pro-
9 gram, also known as a buyback program, to remove
10 excess fishing capacity.

11 (3) In 2003, Congress authorized the
12 \$35,700,000 buyback loan, creating the Pacific
13 Coast groundfish fishing capacity reduction program
14 through the National Marine Fisheries Service fish-
15 eries finance program with a term of 30 years. The
16 interest rate of the buyback loan was fixed at 6.97
17 percent and is paid back based on an ex-vessel fee
18 landing rate not to exceed 5 percent for the loan.

19 (4) The groundfish fishing capacity reduction
20 program resulted in the removal of limited entry
21 trawl Federal fishing permits from the fishery, rep-
22 resenting approximately 46 percent of total landings
23 at the time.

24 (5) Because of an absence of a repayment
25 mechanism, \$4,243,730 in interest accrued before

1 fee collection procedures were established in 2005,
2 over 18 months after the groundfish fishing capacity
3 reduction program was initiated.

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

7 (7) By 2015, West Coast groundfish fisher-
8 men's expenses are expected to include fees of ap-
9 proximately \$450 per day for observers, a 3-percent
10 cost recovery fee as authorized by the Magnuson-
11 Stevens Fishery Conservation and Management Act
12 (16 U.S.C. 1801) for catch share programs, and a
13 5-percent ex-vessel landings rate for the loan repay-
14 ment, which could reach 18 percent of their total
15 gross revenue.

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

21 (b) PURPOSE.—The purpose of this Act is to reffi-
22 nance the Pacific Coast groundfish fishery fishing capacity
23 reduction program to protect and conserve the West Coast
24 groundfish fishery and the coastal economies in California,
25 Oregon, and Washington that rely on it.

1 **SEC. 3. REFINANCING OF PACIFIC COAST GROUND FISH**
2 **FISHING CAPACITY REDUCTION LOAN.**

3 (a) IN GENERAL.—The Secretary of Commerce, upon
4 receipt of such assurances as the Secretary considers ap-
5 propriate to protect the interests of the United States,
6 shall issue a loan to refinance the existing debt obligation
7 funding the fishing capacity reduction program for the
8 West Coast groundfish fishery implemented under section
9 212 of the Department of Commerce and Related Agen-
10 cies Appropriations Act, 2003 (title II of division B of
11 Public Law 108–7; 117 Stat. 80).

12 (b) APPLICABLE LAW.—Except as otherwise provided
13 in this section, the Secretary shall issue the loan under
14 this section in accordance with subsections (b) through (e)
15 of section 312 of the Magnuson-Stevens Fishery Conserva-
16 tion and Management Act (16 U.S.C. 1861a) and sections
17 53702 and 53735 of title 46, United States Code.

18 (c) LOAN TERM.—

19 (1) IN GENERAL.—Notwithstanding section
20 53735(c)(4) of title 46, United States Code, a loan
21 under this section shall have a maturity that expires
22 at the end of the 45-year period beginning on the
23 date of issuance of the loan.

24 (2) EXTENSION.—Notwithstanding paragraph
25 (1) and if there is an outstanding balance on the
26 loan after the period described in paragraph (1), the

1 Secretary may extend the loan under the terms pro-
2 vided in this section.

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 1861a(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 the harvest from each fishery
9 for where the loan is issued.

10 (e) INTEREST RATE.—

11 (1) IN GENERAL.—Notwithstanding section
12 53702(b)(2) of title 46, United States Code, the an-
13 nual rate of interest an obligor shall pay on a direct
14 loan obligation under this section is the percent the
15 Secretary must pay as interest to borrow from the
16 Treasury the funds to make the loan.

17 (2) SUBLOANS.—An individual who holds a
18 subloan under the loan authorized by this section—

19 (A) shall receive the interest rate described
20 in paragraph (1) on the subloan; and

21 (B) may pay off the subloan at any time
22 notwithstanding subsection (c)(1).

23 (f) EX-VESSEL LANDING FEE.—

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

4 (A) as low as possible, based on recent
5 landings value in the fishery, to meet the re-
6 quirements of loan repayment;

7 (B) upon issuance of the loan in accord-
8 ance with paragraph (2); and

9 (C) on a regular interval not to exceed
10 every 5 years beginning on the date of issuance
11 of the loan.

12 (2) DEADLINE FOR INITIAL EX-VESSEL LAND-
13 INGS FEE CALCULATION.—Not later than 60 days
14 after the date of issuance of the loan under this sec-
15 tion, the Secretary shall recalculate the ex-vessel
16 landing fee based on the most recent value of the
17 fishery.

18 (g) AUTHORIZATION.—There is authorized to be ap-
19 propriated to the Secretary of Commerce to carry out this
20 section an amount equal to 1 percent of the amount of
21 the loan authorized under this section for purposes of the
22 Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

23 **SEC. 4. DEADLINE FOR REFERENDA.**

24 Not later than 75 days after the date of enactment
25 of this Act, the National Oceanic and Atmospheric Admin-

- 1 istration shall have completed the referenda under section
- 2 600.1010 of title 50, Code of Federal Regulations.