

Testimony of Rachel Baker

Alaska Department of Fish and Game

Before the U.S. Senate Committee on Commerce, Science, and Transportation

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Chairman Wicker and members of the Committee, thank you for the opportunity to testify before you today. I am a Deputy Commissioner with the Alaska Department of Fish and Game and am pleased to provide the State of Alaska's perspective on the fishery disaster process and on the potential impacts of S. 2346, the Fishery Failures: Urgently Needed Disaster Declarations Act.

Fisheries are vital to Alaska's culture and economy. The State of Alaska and its citizens rely on the productive waters of the North Pacific Ocean to provide fisheries resources for subsistence, recreational and commercial needs. Sixty-one percent of all commercial fisheries landings in the United States take place in Alaska, and our ports rank among the highest in the country for volume and value.

Fisheries are a fundamental source of income for residents of Alaska's coastal communities. Fisheries are typically the primary, and often the only, economic base for many remote coastal communities in Alaska. Fisheries provide jobs in harvesting, processing, and other support industries. Revenues and other benefits from the fisheries form the foundation of local economies in our coastal communities. In addition to providing jobs and income to fishery participants, the fisheries support local governments through fisheries landing taxes. Many coastal communities in Alaska do not have sales, property, or income tax bases and are entirely dependent on fisheries landing taxes to fund essential services and maintain infrastructure that supports the fisheries.

**Fishery Disaster Process**

The State of Alaska sustainably manages fisheries resources in the best interest of the economy and well-being of the people of the state. Our fisheries management programs are responsive to changes in stock conditions and other events outside the control of fishery managers. Despite this commitment to adaptive management, fishery resources are subject to sudden and unanticipated events that can cause fishery failures and impose substantial economic harm to fishery participants and communities. The State of Alaska appreciates that Congress and the National Marine Fisheries Service (NMFS) have established the fishery disaster program for these situations. The impacts of a commercial fishery failure in Alaska are typically severe, immediate, and widespread across affected communities. The fishery disaster process provides much needed relief to fishery dependent residents, businesses, and communities.

The State of Alaska supports the intent of the fishery disaster program in section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). Fisheries are inherently variable due to changing fishery stock and economic conditions, so it is appropriate to limit disaster determinations to commercial fisheries failures with sudden and unexpected losses that result in serious economic harm.

The State of Alaska supports the intent of the fishery disaster program to provide relief that addresses harm from a fishery disaster, addresses the causes of the disaster, and decreases the likelihood that such harm will reoccur in the event of another disaster. We support the flexibility of the current process that allows states, tribes, and fishing communities to develop a relief program appropriate for each fishery disaster. This flexibility is necessary to implement relief programs that recognize the vast differences among our nation's fisheries.

Based on recent experience with the disaster relief process for the 2016 pink salmon fisheries in several Gulf of Alaska management areas, I believe that implementation of the fishery disaster program could be improved to make it more timely, transparent, and consistent with overall program objectives. Improvements could be made by clarifying the key steps of the process, particularly with respect to the federal government's review of information submitted by requestors and the criteria used for evaluating disaster relief programs. In addition, establishing reasonable timelines for primary steps within the process would help ensure that disaster relief provides meaningful assistance in a timely manner following determination of a fishery disaster.

#### Determination of a Commercial Fishery Failure

The current process for determination of a commercial fishery failure is generally well understood and effective. This is likely due to the long-standing guidance developed by the NMFS for evaluation of requests for fisheries disaster relief (NMFS Policy 01-122, effective May 8, 2007). This guidance, along with assistance from the NMFS Alaska Regional Office, has facilitated the State of Alaska's development of fishery disaster requests in recent years.

Alaska fishery stakeholders have noted that the determination process can be lengthy, which delays timely relief for affected fishery participants. These delays can undermine the utility of the program from the public's perspective and create additional uncertainty for fishery participants harmed by a commercial fisheries failure. To address these concerns, I support evaluation of regulatory, legislative, or policy revisions to provide more timely determinations of commercial fishery failures. These revisions could include clarifying information requirements and evaluation criteria for the fishery failure determination process as well as establishing reasonable timelines for completing those steps.

#### Administration of Disaster Relief

The process for administering disaster relief is less well defined. Under the current process, there is little to no guidance for requestors or the public describing the steps in the process or

the criteria being used by the federal government to evaluate proposed spending plans for disaster relief funds. This lack of clarity makes it challenging to navigate the process and inform affected fishery participants and the public about the potential outcomes and timelines for evaluation of a proposed spending plan and the distribution of disaster relief funds.

I believe this lack of clarity may have contributed to delays in the review of the proposed spending plan for the 2016 Gulf of Alaska pink salmon fisheries. The State of Alaska submitted a spending plan that specified local governments from affected communities as eligible recipients of disaster relief funds. The state based this proposal on section 312(a) of the Magnuson-Stevens Act, which recognizes the impact of fishery disasters on communities by specifying a “fishing community” as an eligible requestor of a commercial fishery failure and as an eligible recipient of disaster funds following a commercial fishery failure determination.

In Alaska, local governments use revenues from fisheries landing taxes to provide essential infrastructure and services that directly support those fisheries, including processing and cold storage facilities, docks, and harbors. In this manner, local governments are affected by commercial fishery failures along with harvesters and processors. The State of Alaska’s spending plan for the pink salmon fisheries disaster recognized these impacts by identifying fishery participants, processors, and local governments as eligible recipients of disaster relief funds.

The federal government’s initial review of the spending plan indicated uncertainty as to whether local governments were eligible for disaster relief funds, despite the clear intent of section 312(a) in the Magnuson-Stevens Act for fishing communities to be active participants in the disaster relief process. This uncertainty may have arisen because section 315 of the Magnuson-Stevens Act governing the administration of fishery disaster relief programs does not explicitly recognize fishing communities as eligible recipients of disaster relief. Section 315 of the Magnuson-Stevens Act authorizes the Secretary of Commerce to establish a regional economic program to provide “immediate disaster relief assistance to the fishermen, charter fishing operators, United States fish processors, and owners of related fishery infrastructure affected by the disaster.” Although the State of Alaska was able to work with the NMFS to identify an acceptable process for providing disaster relief to local governments, I believe the lack of clarity regarding spending plan requirements and evaluation criteria contributed to delays in the review process.

The review process likely could be improved by clarification of the primary steps for the spending plan review process and the criteria that will be used to evaluate proposed spending plans. Establishing reasonable timelines for key steps in the process where possible could also contribute to a more transparent and timely evaluation process. In making this recommendation, I note the importance of maintaining flexibility for development of spending plans. While some specific clarifications would benefit the process, the fishery disaster program should be flexible enough to provide disaster relief that accommodates the circumstances of the affected fishery.

## **S. 2346, the Fishery Failures: Urgently Needed Disaster Declarations Act**

In general, the provisions of S. 2346 would improve the fishery disaster process by clarifying information requirements and evaluation criteria for determining commercial fishery failures and administering disaster relief. I believe these clarifications would benefit states and affected fishery participants by providing more a timely and transparent process for providing disaster relief. I offer the following comments on the impacts of specific provisions in the bill.

- Section 2(e)(2)(A) - I support maintaining the current revenue loss thresholds for a fishery disaster determination. These thresholds are well understood and appropriate given the variable nature of fisheries and the need to provide flexibility in the determination process to ensure consideration of specific fishery circumstances.
- Section 2(e)(2)(B) – I support authorizing the Secretary of Commerce to consider loss of subsistence opportunity when making a fishery disaster determination. This is an important clarification to the determination process and is particularly relevant to Alaska given the significance of subsistence fisheries to the citizens of our state.
- Section 2(f)(2)(A) – I recommend an additional provision for the National Oceanic and Atmospheric Administration to provide a regional contact for the spending plan review process and distribution of disaster relief. This would mirror the provision in section 2(d)(1)(B) specifying that the agency will provide a regional contact for the commercial fishery failure determination process. Identification of a regional contact for administration of disaster relief will help states inform affected fishery participants and the public about the potential outcomes and timelines for evaluation of a proposed spending plan and distribution of disaster relief funds.
- Section 2(f)(5)(C)(i) – I recommend clarifying that scientific research on the affected fisheries, including research on relevant fish stocks and habitat, are eligible uses of disaster relief funds. While disaster relief funds have been authorized for scientific research under the current process, a clarification of this issue would be beneficial. The State of Alaska considers scientific research to be a priority use for disaster relief funds in order to improve our ability to establish sustainable and effective management measures that help prevent future fishery failures.
- Section 2(f)(5)(C)(i)(VIII) – I support including fishing communities as eligible recipients of disaster relief funds and recommend additional clarification that the local government representing a fishing community is eligible to receive disaster relief funds. As described in my testimony, this clarification would fulfill the intent of section 312(a) of the Magnuson-Stevens Act to recognize fishing communities as affected by commercial fishery failures and active participants in the fishery disaster process.
- Section 2(g)(5) – I am concerned about the impacts of this provision to limit eligibility for fishery disaster relief to affected participants with a maximum of \$2 million in net

revenue from commercial fishing. Given the scale and value of fisheries in Alaska, this provision could constrain the State of Alaska from providing relief to harvesters, processors, and fishing communities that incur serious harm from a commercial fisheries failure.

Once again, thank you again for the opportunity to provide comments on behalf of the State of Alaska. Please let me know if I can provide additional information to assist with your evaluation of potential improvements to the fishery disaster process.