



# Oregon

Kate Brown, Governor

Department of Agriculture

635 Capitol St NE  
Salem, OR 97301-2532

February 21, 2019



The Honorable Nita Lowey  
Chairwoman  
Committee on Appropriations  
United States House of Representatives  
H-307, The Capitol  
Washington, DC 20515

The Honorable Richard Shelby  
Chairman  
Committee on Appropriations  
United States Senate  
S-128, The Capitol  
Washington, DC 20510

The Honorable Kay Granger  
Ranking Member  
Committee on Appropriations  
United States House of Representatives  
1016 Longworth House Office Building  
Washington, DC 20515

The Honorable Patrick Leahy  
Ranking Member  
Committee on Appropriations  
United States Senate  
S-146A, The Capitol  
Washington, DC 20510

Dear Chairpersons Lowey and Shelby and Ranking Members Granger and Leahy:

On behalf of the Oregon Groundfish trawl industry, the Oregon State Board of Agriculture urges your support for a \$10 million dollar appropriation to reduce an outstanding loan amount as part of the federal West Coast Trawl Buyback in any potential disaster supplemental appropriations package. Barring its inclusion in a disaster package, we request its inclusion in the Fiscal Year 2020 Commerce-Justice-Science appropriations bill.

The State Board of Agriculture, appointed by the Governor, represents a cross-section of industry members and advises the Oregon Department of Agriculture on policy issues and advocates for the state's agricultural industry. The loan repayment issue was brought to our attention by representatives of the fishing industry at a recent Board meeting held in the city of North Bend on the Oregon coast.

In 2003 the Groundfish trawl industry borrowed \$28 million through a capacity reduction loan which bought out about 1/3 of the fleet vessels. Over the last 15 years the trawl industry has repaid more than \$34 million towards the loan, yet still owes an astonishing \$22.4 million. More than half of the remaining balance on the loan is the result of an 18-month delay by the National Marine Fisheries Service (NMFS) in promulgating repayment regulations. These small business owners are being saddled with an additional burden due to the Federal Government's delay.

The \$10 million dollar appropriation requested will bring the loan amount more in line with what it would be if NMFS had promulgated regulations in a timely manner, resulting in the trawl fleet owing less than \$11 million dollars.

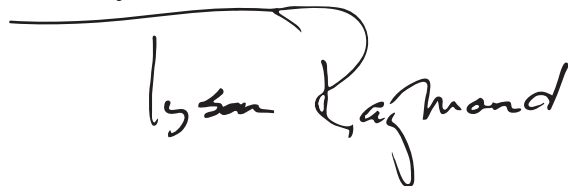
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The Honorable Richard Shelby  
The Honorable Patrick Leahy

Providing relief to the west coast trawl industry on the Trawl Buyback Loan is critical for the economic survival of Oregon fishermen, processors, support businesses, coastal communities and the state of Oregon.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Tyson Raymond". The signature is written in a cursive style with a long horizontal line extending to the left from the top of the first letter.

Tyson Raymond, Chair  
Oregon State Board of Agriculture

Enclosure: Letter from Oregon Trawl Commission to Oregon State Board of Agriculture

cc:

The Honorable Ron Wyden  
The Honorable Jeff Merkley  
The Honorable Earl Blumenauer  
The Honorable Suzanne Bonamici  
The Honorable Peter DeFazio  
The Honorable Kurt Schrader  
The Honorable Greg Walden  
Amira Streeter, Natural Resources Policy Advisor, Office of Governor Kate Brown  
Oregon Trawl Commission



State Board of Agriculture  
Tyson Raymond, Chair  
635 Capitol St. NE  
Salem, OR 97301

September 27, 2018

Dear Chair Raymond,

The Oregon Trawl Commission respectfully requests that Oregon State Board of Agriculture sends a letter of support to the Oregon federal Congressional Delegation regarding efforts to secure a \$10 million-dollar appropriation to pay down the excess balance on the West Coast Trawl Buyback loan. This issue is of critical importance to Oregon trawl businesses who are burdened with a remaining loan balance which is more than twice what it would be if the federal government had acted in a timely manner when the loan was first executed in 2003.

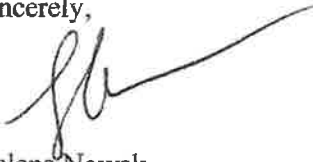
In 2003 the Groundfish trawl industry borrowed \$28 million through a capacity reduction loan which bought out about 1/3 of the fleet -91 trawl vessels. As of September 1, 2018 the trawl industry has paid over \$34 million towards that loan (\$6 million more than we borrowed) and incredibly still owes over \$22.4 million on the loan. More than half the remaining balance is due to the 18-month delay by the National Marine Fisheries Service (NMFS) in promulgating repayment regulations for the loan. Even though fishermen were prohibited from making payments during those 18 months, over \$4 million in additional interest accrued and was added to the balance of the loan. Between loan execution and now, that \$4 million has grown to close to \$13 million EXTRA dollars!

The majority of west coast Groundfish trawl businesses are in Oregon and thus, Oregon bears the largest burden on the loan. Two-thirds of the remaining 165 west coast trawl permits are owned by Oregon fishing businesses. Every time a trawl fisherman lands Groundfish, he pays an off-the-top amount of 4.5% of the gross value of the fish to the government as a loan payment. This is in addition to a 3% tax that goes to NMFS to manage the fishery as well as the cost of 100% monitoring costs which the industry is responsible for. The money going to the Buyback loan

should be staying in coastal communities, in crew members pockets, going towards improved marketing, gear innovation and infrastructure improvements. It is simply unfair for the industry to be saddled with millions of dollars because of the inaction of the federal government. The \$10 million-dollar appropriation will bring the loan more in line to where it would be if NMFS has promulgated regulations in a timely manner (the trawl fleet would owe less than \$11 million).

Addressing this issue has had bipartisan and bicameral support. Oregon legislators have been united and working hard to find a solution for Oregon fishing businesses. Finding relief on the Buyback loan is good for Oregon fishermen, processors, support businesses, coastal communities, and the state of Oregon. Thank you for your consideration.

Sincerely,



Yelena Nowak

Director, Oregon Trawl Commission

t: 541-469-7830

[yelena@ortrawl.org](mailto:yelena@ortrawl.org)