



UNITED FISHERMEN OF ALASKA

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November 5, 2020

Senator Lisa Murkowski
522 Hart Senate Office Building
Washington, DC 20510

Senator Dan Sullivan
302 Hart Senate Office Building
Washington, DC 20510

Congressman Don Young
2314 Rayburn House Office Building
Washington, DC 20515

Dear Senator Murkowski, Senator Sullivan and Congressman Young,

United Fishermen of Alaska (UFA) would like to thank Alaska's Congressional Delegation and their staff for their efforts to secure COVID-19 relief funding for the commercial seafood sector. We recognize and appreciate your leadership role in securing assistance for our industry.

As you are aware, the funding was insufficient and poorly timed to provide the necessary relief to many in the seafood industry. UFA understands that our delegation is working to secure a second round of COVID-19 Fisheries Relief Funding. With that second round in mind, we are providing these comments to improve the fisheries relief process.

First, the initial cap on state allocations penalizes Alaska, where state and federal fisheries contribute over half the seafood produced in the entire U.S. We understand the delegation worked to secure additional resources for Alaska but was unable to do so in the first round. We hope this inequity can be corrected if a second round of fisheries relief funding is approved by Congress.

Second, allocations to states should be based on where fisheries occur. It is not equitable to allocate fisheries damages by similar lump sum to several states that have different fisheries values and economic harm. For example, both Washington State and Alaska received \$50 million dollars in compensation and the ex-vessel values of Alaska's fisheries are more than five time greater than the ex-vessel values of Washington's fisheries. Covid damage relief should track fishery values.

The third issue is related to NOAA basing the allocations to the states on residency of fishermen/fishing businesses rather than the value of the fisheries occurring in the states and their adjacent federal waters. For example, fishermen participating in the same fishery and having the same Covid impacts will receive widely different relief compensation. Moreover, fishermen residing in non-coastal areas are likely to receive no compensation at all. Similarly, damaged fishermen fishing the same species with the same gear in the same waters should receive similar compensation without regard to where they reside.

Two other groups of commercial fishermen were left out of the COVID relief funding or not adequately considered were crewmembers and new vessel operators/permit holders. Crewmembers suffered significant reductions in fishing opportunity and income in 2020 but are not specifically included in the relief program. Additionally, new entrants who purchased permits or vessels in 2019 or 2020 are particularly vulnerable but are left without a fair compensation mechanism. UFA recommends any subsequent COVID relief include compensation for 2020 crewmembers and allow new entrants to use something other than “historical participation” to determine compensation.

UFA also requests that Congress explicitly include salmon hatcheries and mariculture in the next round of COVID Relief funding to address confusion relative to these two sectors in round 1.

The 12005 Cares Act Fisheries Relief Funding program created difficulties for the processing and catcher processor (CP) sectors regarding eligibility requirements. While the processing/CP sector might not have experienced a 35% reduction in **gross revenues** due to COVID, it did incur direct costs for COVID 19 mitigation measures in the millions, impacting sector profitability as well as prices paid to fishermen. These COVID-19 costs should be compensated, or the qualification criteria changed to capture these increased pandemic-related costs.

To summarize, UFA recommends the following for any future fisheries relief funding:

- Provide funding to each state based on the revenue of the commercial harvesting sector, seafood processing sector (including the catcher processor sector), aquaculture sector (including mariculture and Alaska hatcheries), and sportfish charter sector operating in state or federal waters off that state, regardless of fishery participant residency without arbitrarily setting an artificial cap.
- Allow harvesters, processors, tenders and catcher-processors to be reimbursed for direct COVID 19 mitigation measures in the state or adjacent federal waters in which they operated.
- Include relief opportunities for commercial crewmembers.
- Allow new entrants to calculate impacts by a methodology other than “historical participation”
- Allocating by fisheries to the states, inconsistency in residency and treatment of like entities becomes a moot point. Clarify that mariculture and aquaculture (all Alaska salmon hatcheries) are included in the aquaculture sector.

We appreciate the opportunity to work with you to resolve the issues encountered during development of round 1 fisheries relief spend plans, and to clarify eligibility criteria and process for a second round of funding. Thank you again for your support of Alaska's fishing industry.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Alward".

Matt Alward
President

A handwritten signature in blue ink, appearing to read "Frances H. Leach".

Frances H. Leach
Executive Director

Enclosed: Letter to Chris Oliver, NOAA

CC: Commissioner Doug Vincent-Lang
John Moller