



May 28, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy,

On behalf of our diverse network of members who support robust sustainable fisheries, I am writing to share our recommendations in addressing the impacts of COVID 19 on our nation's seafood supply chain – from our fishermen to the restaurants where the seafood is served. The Marine Fish Conservation Network (Network) is a coalition of commercial and recreational fishing associations, regional and national conservation groups, aquaria, chefs, sustainable seafood suppliers, and marine science organizations committed to sustaining fish populations, healthy marine ecosystems, and robust fishing communities.

The unprecedented economic impacts of the COVID 19 pandemic have had a devastating impact on one of the essential American economic drivers – small businesses, which comprise the majority of commercial and charter fishing. Small businesses such as commercial fishing operators, guides, outfitters, processors, restaurants, and chefs have suffered catastrophic consequences from the effects of the pandemic. These businesses are worth preserving, and without financial assistance from the federal government, many of them will cease to exist.

As the COVID 19 pandemic remains a daily part of our lives and its effects become prolonged, Congress must address several critical needs as it moves forward with making changes to the Paycheck Protection Program (PPP), supporting our national seafood supply chain, and developing the federal government's rebuilding plans for the economy.

Adjustments to the Paycheck Protection Program

Extend the loan forgiveness timeline

The current 8-week timeline for loan forgiveness is too short to provide meaningful relief for fishermen, restaurants, and seasonally operating businesses. During this brief period, many businesses will still be closed, or their fishing seasons may still be underway or, in some cases, have yet to start. We recommend that the repayment period should begin when the businesses are legally allowed to reopen or respective fishing seasons have ended – and not on the date loans are received. We suggest allowing PPP recipients to use the funds for at least 16 weeks without loss of the loan forgiveness option.

Allow for flexibility on the limit on non-payroll expenses

Many fishing businesses are incurring additional costs to comply with federal, state, and local public health guidelines. These modifications are important for the protection of public health and consumer confidence, but they are particularly expensive in maritime and harbor applications. We believe businesses need additional flexibility to use more than 25% for non-payroll monthly expenses in the program (mortgage, rent, and utilities) and to be able to use funds for PPE or adaptive renovations.

Extend repayment time beyond the current two years

The severity of the crisis will make it difficult for businesses to repay loans in two years. We strongly believe the program needs additional flexibility so businesses have sufficient time to generate enough revenue to maintain their businesses and pay back any loans.

Rebuilding the economy

Congress and the Administration will need to create additional, long-term policy initiatives. As Congress develops proposals for rebuilding the nation's economy, we recommend addressing the following areas.

Support for direct-to-consumer infrastructure

Fishermen and processors have seen drastic reductions in sales because of the pandemic. The seafood industry is pivoting to direct-to-consumer models in order to meet the demand for locally sourced, high quality, domestic seafood. Federal investments in modernizing working waterfronts and increasing seafood supply infrastructure to bring quality seafood to consumers will directly benefit local fishing communities by creating jobs and retail channels. Congress should ensure that the economic gains made in the direct-to-consumer sector are preserved and strengthened as the nation recovers.

Coronavirus Food Assistance Program (CFAP)

We recommend including fishermen in the USDA's CFAP, which received \$19 billion in funding in the CARES Act (P.L. 116-136). Our country's fishermen play an equally

significant role in harvesting and producing our nation's food. As new rebuilding funding is appropriated for CFAP, we agree with the calls to include at least \$2.78 billion to purchase domestically harvested and processed seafood products and distribute them to local, state, and national non-profits providing food to those Americans in need.

Section 12005 Funds

We support an additional \$2.7 billion for the National Oceanic and Atmospheric Administration (NOAA) under the terms of section 12005 of the CARES Act in order to provide direct relief to tribal, subsistence, commercial, and charter fishery participants impacted by coronavirus.

We encourage Congress to direct NOAA to establish clear and transparently derived allocation formulas, set clear guidelines for use of the funds, and distribute the funds within 30 days of the appropriation on such funds.

Support national seafood marketing initiatives

The U.S. has not convened or supported a national seafood promotion and marketing program since 1990. The revival of the National Fish and Seafood Promotional Council would support the fishing industry, restaurants, and consumers at this critical time and beyond as we recover. Congressionally authorized programs, including USDA's Research and Promotion Programs, could be augmented to support our fisheries through legislative mandate. We recommend that Congress work with members of the commercial fishing industry, culinary community, and the Marine Fisheries Advisory Council to expeditiously design and implement a robust, fiscally solvent and supported seafood promotion and marketing program.

These issues are critically important to our nation's fishermen, culinary industry, and seafood supply chains. The MFCN and its diverse membership welcome the opportunity to work with Congress to take these and other supportive actions to ensure that the small businesses that make up our working waterfronts and coastal communities continue to survive now and into the future.

Please don't hesitate to contact us if we can be of assistance or provide additional information. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Robert C. Vandermark". The signature is fluid and cursive, with a long, sweeping underline.

Robert C. Vandermark
Executive Director