



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration NATIONAL MARINE FISHERIES SERVICE
1315 East-West Highway Silver Spring, MD 20910

THE DIRECTOR

APR – 4, 2002

Mr. Bob Jones
Executive Director
Southeastern Fisheries Association, Inc.
Mount Vernon Square
1118-B Thomasville Road
Tallahassee, Florida 32303

Dear Mr. Jones:

Thank you for your letter to Commerce Secretary Evans requesting funding to promote the domestic seafood industry and the declaration of an economic disaster in the industry.

Although we understand that domestic fishermen have suffered economic hardship, we do not have funds available for generic seafood market promotion. The Saltonstall-Kennedy (S-K) Grant Program could be a source of possible funding for projects dealing with market promotion. However, such projects would have to fit within the published funding priorities, and would have to compete with other projects for funding, subject to the program terms and requirements. We expect to publish the fiscal year 2002 S-K Program solicitation in April. You can get further information from the S-K Web Page at:

<http://www.nmfs.noaa.gov/sfweb/skhome.html>.

Regarding disaster assistance, the Secretary of Commerce has the authority to declare fisheries disasters under either section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act or section 308(b) of the Interjurisdictional Fisheries Act. However, both of these statutes require determination of an underlying fishery resource disaster as the cause of a commercial fishery failure. Assistance on purely economic grounds is not authorized.

The Small Business Administration (SBA) has implemented a loan program to help small businesses affected by the events of September 11. The purpose of SBA's expanded Economic Injury Disaster Loan (EIDL) program is to provide funds to eligible small businesses to meet ordinary and necessary operating expenses that a business could have met, but is unable to meet as a direct result of the destruction of the World Trade Center or damage to the Pentagon, or as a direct result of any Federal action taken between September 11 and October 22, 2001.

These loans are intended only to provide the amount of working capital needed by a small business to pay necessary operating expenses and obligations until operations return to normal. The purpose of these loans is not to cover lost income or lost profits, or losses attributable to an economic downturn. EIDL funds cannot be used to refinance long-term debt or to expand the business.

More information on this program is available at the following website:

<http://www.sba.gov/news/currentOI/economicinjuryfactsheet.html>.

I have enclosed information and contacts for other SBA programs and other Federal programs that may be able to provide some assistance for the domestic fishing industry.

I appreciate your interest in this important issue.

Sincerely,

William T. Hogarth, Ph.D.
Assistant Administrator for Fisheries

Enclosure

Potential Federal Sources of Financial Assistance for Fishermen

Economic Development Administration (EDA)

The EDA's mission is to create new jobs and retain existing jobs in economically stressed communities. EDA provides both community grants and revolving loan funds to help distressed communities develop strategies to improve their own economic situation through a multifaceted cooperative effort. EDA has assisted fishing communities in the past. Most of their activity for the fishing industry has been funded through their Public Works or Economic Adjustment Programs. The Public Works Program has funded port and harbor improvements in fishing communities. The Economic Adjustment Program helps communities adjust to serious changes in their economic situation. Proceeds from this program are generally used for business development, infrastructure, and market research.

Industries that have been adversely affected by increased imports can seek technical assistance under EDA's Trade Adjustment Assistance (TAA) Program for firms and industries. Before EDA can provide technical assistance (there is no authority under the program to provide financial assistance, i.e., loans or loan guarantees), a number of firms in the industry must be certified under the EDA firm or Department of Labor worker TAA program.

Contact: Paul Raetsch, Director, EDA Philadelphia Region
(215-597-4603)

EDA website: <http://www.doc.gov/eda/html/prgtitle.htm>

Small Business Administration (SBA)

The SBA is a source of guarantees for loans from local banks. The 7(a) Loan Guaranty Program is one of SBA's primary lending programs. It provides loans to small businesses unable to secure financing on reasonable terms through normal lending channels. The program operates through private-sector lenders that provide loans which are, in turn, guaranteed by the SBA--the Agency has no funds for direct lending or grants.

Contact:
Charles Gaston, Director, SBA Richmond District Office
(804-771-2400)
Information can also be obtained from local lenders.

SBA website: <http://www.sba.gov/financing/fr7aloan.html>

U.S. Department of Labor (DOL)

DOL's Economic Dislocation and Worker Adjustment Assistance Act (EDWAA) provides funds to States and local grantees so they can help dislocated workers find and qualify for new jobs. Workers who have lost their jobs and are unlikely to return to their previous industries or occupations are eligible for the program. This includes workers affected by plant closures or mass layoffs; long-term unemployed persons with limited job opportunities in their fields; and farmers, ranchers and other self-employed persons (including fishermen) who become unemployed due to general economic conditions. Services include retraining, readjustment services, and needs-related payments.

Contact: Dislocated Worker Unit in each State, or Office of Worker Retraining at 202-219-5577.

DOL website: <http://www.doleta.gov/programs/factsht/edwaa.htm>

Farm Credit System (FCS)

FCS is a nationwide financial cooperative that lends money and provides financial services to agriculture and rural America. The FCS makes loans and leases at competitive rates with flexible terms to fit the needs of farmers, ranchers, commercial fisherman, agribusinesses and country home owners. Farm Credit Banks make direct, long-term loans through Federal Land Bank Associations and provide loan funds to other Farm Credit Associations. Long-term loans may be made to the fishing industry for a variety of purposes, including real estate for aquaculture operations, processing and marketing facilities, and capital equipment. Short-term FCS loans can be used to buy production equipment such as fuel or bait while longer-term loans may be used for gear expenditures, the purchase of new vessels, and the reconditioning of older vessels.

Contact:

Local Farm Credit Association in geographic area

FCS website: <http://www.fccredit.com/locate.htm>.

U.S. International Trade Commission (ITC)

If an industry believes foreign products are being dumped in the United States and sold below cost, to the detriment of U.S. industry, firms can petition the ITC for relief.

Contact:

202-205-2000

ITC website: <http://www.usitc.gov>.