

To: The Honorable Vince Tutiakoff Sr.
The Unalaska City Council
Bil Homka, City Manager
Marjie Veeder, Asst. City Manager
Chris Hladick, Consultant
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From: Sebastian O'Kelly & Rick Marks

Re: Washington Update

Date: January 8, 2024

FY 2024 Appropriations

Just before Thanksgiving, Congress agreed to a two-part Continuing Resolution "CR" to keep the government funded for several agencies through January 19; and to February 2 for the remaining agencies (incl. Commerce & NOAA). The House & Senate Congressional leadership from both parties have now agreed on "top-line" FY 2024 funding levels which will pave the way for negotiations on individual appropriations bills. The timeframe is short and it is unknown at this point whether Congress will need to extend the current CR. While there is always a possibility of a government shutdown, we think it is unlikely.

FY 2025 Appropriations – Congressionally-Directed Spending (CDS) Project Requests

The FY 2025 appropriations process will get underway soon. We will handle completion of the online forms used by Senator Murkowski and Rep. Peltola to solicit CDS requests. We can work from past Federal priorities resolutions, or the City can pass a new one. Any new resolution with new projects should be sent to us by mid- to late February. We already have Captains Bay Road and Water Utilities as a resubmission.

Army Corps – Harbor Issues

During Washington, DC December visit, we met with the Pacific Oceans Division of the Army Corps. The Corps has \$2.2 million set aside to fix the cross-lashing system that is supposed to hold the floating breakwaters in line at the Carl Moses Harbor. The Corps' Anchorage office is working on a plan for the fix along with a final cost estimate. Regarding the \$25.6 million in funding for dredging the Dutch Harbor entrance channel, the Corps expects to issue a dredging contract soon and complete the project this year. Lastly, the Pacific Oceans Division also informed us that the City's dredging project at the Unalaska Marine Center dock does not constitute a General Navigation Feature and therefore does not qualify for Corps funding. However, the Corps indicated that is acceptable for the City to "piggyback" on the entrance channel dredging contract to have the contractor remain in Unalaska to undertake the UMC dock dredging. While it would be at the City's cost, the City would save in not having to pay the

contractor's mobilization costs. We recommend that the City reach out to the contractor to discuss once the Corps chooses one.

Brownfields/ANCSA Contaminated Lands Clean Up

The FY 2024 Interior Appropriations Bill at Senator Murkowski's request includes \$30 million for EPA's new Contaminated ANCSA Lands Assistance Program; however, the House version of the bill has no funding and the differences will need to be resolved in House-Senate negotiations as part of the final FY 2024 appropriations bills. Also pending is \$6.7 million to the Denali Commission for the outfitting of a barge with waste removal and disposal and water treatment equipment that could be deployed at remote contaminated sites in Alaska.

USCG Family Duty Station In Unalaska

After the issue was discussed with Senator Sullivan in the Washington, DC December visit, his staff has asked us for written responses to the Coast Guard's evaluation. We will draft and share those with the City staff before submitting to this office. His staff are exploring the possibility of addressing the issue as part of the next Coast Guard Authorization bill.

Genius Star XI Vessel Fire

Upon learning of the vessel fire off Unalaska's shores, the AK Congressional Delegation engaged quickly with the Coast Guard to ensure the City's concerns over possibility of the still-burning vessel being brought into one of Unalaska's harbors/docks was addressed. The Coast Guard opted to have the vessel anchored in Broad Bay with a large enough area safety zone to protect the public and other vessels. The Delegation maintained communication with the City's leadership during this process.

Infrastructure Grant Opportunities

Here are some recent Federal agency infrastructure opportunities that have come out along with links to grant applications.

- **MARAD Port Infrastructure Development Program:** \$650 million in 2024 PIDP grants are available. The link is: grants.gov/search-results-detail/351643. Grant application deadline is April 30. Separately, Congress has amended the PIDP's authorizing law to direct it to give greater consideration to port infrastructure projects that benefit seafood-dependent ports, including loading/unloading of fish, seafood processing, and cold storage.
- **DOT RAISE Grants:** \$1.5 billion (50 percent rural set aside, 80/20 cost-share) is available with a deadline of Feb. 28 -- https://www.transportation.gov/sites/dot.gov/files/2023-11/RAISE%202024%20NOFO%2011.30.23_0.pdf

- **DOT Bridge Replacement & Planning Grants:** A total of \$9.7 billion is available. There are a series of rolling deadlines over the next two years, with the Feb 19 for planning grant and March 19 for construction-ready projects -- <https://grants.gov/search-results-detail/351567>
- **EPA Environmental and Climate Justice Community Change:** \$2 billion is available for community-driven projects to address environmental and climate challenges in communities facing disproportionate and adverse health, pollution, and environmental impacts, and suffering from generations of disinvestment.. Applicants must be partners, for example, a local government in partnership with a tribe and are due Nov. 1 -- <https://www.epa.gov/system/files/documents/2023-11/epa-community-change-grants-notice-of-funding-opportunity-november-2023.pdf>
- **USDA Community Connect Broadband Grants:** \$80 million is available with applications due Feb. 20 -- <https://www.govinfo.gov/content/pkg/FR-2023-12-19/pdf/2023-27813.pdf>

Fisheries & Oceans

- **Trident Seafoods Proposed Sale of AK Processing Plants** – Citing market conditions, including low prices, declining demand, excess supply and foreign competition, Trident Seafoods has announced that it is seeking to sell its seafood processing plants and support facilities in in Kodiak, Ketchikan, Petersburg, False Pass, Naknek and Chignik.
- **Biden Administration Restrictions on Russian Seafood Imports into the U.S.** -- On December 22nd the Biden Administration added further restrictions to prohibit Russian seafood imports into the U.S. The Alaska Congressional Delegation was pressing hard for added restrictions. The Administration amended E.O. 14068 (which prohibited direct Russian seafood exports into the U.S.) to also include the importation of Russian seafood products processed outside Russia and exported to the U.S. by a third country. The Department of the Treasury is expected to publish a list of specific seafood products covered by this executive action in early 2024.
- **Heart of the Ocean “PRIME” Alaska Marine Sanctuary** -- Back in a July 2023 hearing on the NOAA budget and in response to a question from Senator Sullivan, NOAA Administrator Spinrad stated that the agency has “no plans to initiate the designation process.” for the HOA proposal. We will continue to monitor. In December, NOAA staff reiterated that the agency has no plans to proceed with formal designation.
- **Crab Fisheries Disaster Relief** – We understand OMB has approved the Tanner Crab plan from 2019-2020, and the Red King Crab/Snow Crab plan for 2021-2022. These plan approvals have recently come back to NOAA and will soon go to the Pacific States Fisheries Commission (PSMFC) for funding distribution, possibly starting in early ‘24. Direct payments will be able to go to AK local governments to replace lost fish tax revenues provided the State of Alaska includes those foregone revenues in its expenditure

plan. NOAA is now reviewing an AK disaster declaration request for the 2023-24 Bering Sea Snow Crab fishery.

- **SIMP Expansion Rule Withdrawn** -- On November 14, 2023, NOAA Fisheries announced it would withdraw its [Seafood Import Monitoring Program proposed rule](#) and will conduct a broad program review to enhance and strengthen the program's overall impact and effectiveness, including a review of the current program covering the existing 13 species/groups. As part of the review process, NOAA is hosting a series of public listening sessions to solicit feedback from stakeholders.
- **North Pacific Right Whale Critical Habitat:** In response a petition from the Center for Biological Diversity and Save The North Pacific Right Whale, NOAA is considering expanding ESA critical habitat for the North Pacific Right Whale (NPRW) which could lead to future restrictions on vessel traffic, speed and fishing activity (including pot gear fisheries to reduce the possibility of whale entanglements) in the region.
- **NOAA To Revise National Standard Guidelines for 4, 8 & 9** -- As you will recall from our last DC report NOAA is considering revising the implementing guidelines for National Standards 4 (allocation), 8 (impacts to communities), or 9 (bycatch, including "practicability" standard), of the Magnuson-Stevens Fishery Conservation and Management Act (MSA). The Agency had issued a Notice of Proposed Rulemaking (ANPRM) on May 15th (See 88 FR 30934) to take comments from interested stakeholders to help decide if revisions are necessary. In December, NOAA staff indicated they were reviewing comments received on the ANPRM and intend to proceed with a Proposed Rule in spring 2024 that could include a formal definition of the term "practicable" as it relates to bycatch. There will be opportunity to offer public comment at that time.
- **FISHES Act Update** -- In October 2023 the House Natural Resources Committee held a legislative hearing on several bills including H.R. 5103 -- "*Fishing Impacts to Streamline untimely Regulatory Hurdles Post Emergency Situation Act*" (FISHES Act; H.R. 5103) to put a statutory timeline requirement of 30-days on OMB to render a decision on a fishery disaster spend plan submitted to the agency. Many Members of Congress remain concerned over the length of time it takes in the Federal fisheries disaster process for aid to reach recipients.
- **Conserved Areas in the U.S. EEZ** -- In June 2023 the Regional Fishery Management Councils formally released a synthesis of conservation areas in the US EEZ. The report, titled [An Evaluation of Conservation Areas in the U.S. Exclusive Economic Zone](#), identifies 648 conservation areas covering 72% or nearly 3.4 million acres of federal waters for consideration as part of the Biden Administration's America the Beautiful Initiative which aims to conserve at least 30% of U.S. lands and waters by 2030. The Administration is developing the American Conservation and Stewardship Atlas ("Atlas") to highlight the conserved areas. ROMEA staff has gotten an early indication the initial version of the Atlas will be published in spring 2024. It remains unclear at this

time if there will be any further public comment opportunities on the “Atlas” or the “30x30” initiative.

- **Alaskan Arctic Coast Port Access Route Evaluation** -- The USCG is continuing its review of the northern portion of the Arctic Coast vessel traffic route study. The Coast Guard is coordinating with the U.S. State Department and Canadian officials as part of this ongoing process. Any questions can be directed to the USCG at Michael.D.Newell@uscg.mil
- **U.S. State Department on the Outer Continental Shelf** -- On December 19, 2023, the U.S. Department of State announced geographic coordinates defining the outer limits of the U.S. continental shelf in areas beyond 200 nautical miles from the coast. These new areas are known as the Extended Continental Shelf (“ECS”) and collectively encompass approximately one million square kilometers spread across seven regions, including Alaska.
- **National Working Waterfronts Legislation Currently Under Development – Comments Welcome** -- Senator Murkowski is working on new legislation for 2024 to address a wide range of coastal environmental and commercial fishing/seafood related issues. The draft legislation is provided below for your convenience. If you would like to comment, please forward any comments to ROMEA’s Rick Marks at rem@hsgblaw-dc.com or Sebastian O’Kelly at tarpon@hsgblaw-dc.com by the end of the month and we will pass them on to the Senator’s staff.

DRAFT “Working Waterfronts Act”

TITLE I – COASTAL ENERGY

Sec. 101 – Tax Credit for Marine Energy Projects

The Maintaining and Enhancing Hydroelectricity and River Restoration Act of 2023 (S. 2994) establishes a tax credit equal to 30% of eligible projects that maintain and enhance hydroelectric facilities, namely hydroelectric dams and associated infrastructure. This provision would amend S. 2994 to expand the tax credit to *marine energy projects*, including projects that produce electricity from waves, tides, and ocean currents. The definitions that would be added to S. 2994 are as follows:

A marine energy project is defined as “a project which produces electricity from—(i) waves, tides, and currents in oceans, estuaries, and tidal areas, (ii) free flowing water in rivers, lakes, streams, and man-made channels, (iii) differentials in salinity and pressure gradients, or (iv) differentials in water temperature, including ocean thermal energy conversion,” as well as any associated interconnection property.

A marine energy technology project is defined as “a project which the Commission determines—(i) will produce electricity from a generator that converts the potential energy of flowing water, (ii) will utilize a generating technology that is not in widespread, utility scale

use in the United States as of the date of enactment of this section, (iii) will not be, based on information available to the Commission, likely to jeopardize the continued existence of any species listed as a threatened species or an endangered species under the Endangered Species Act of 1973, and (iv) will not be, based on information available to the Commission, likely to result in the destruction or adverse modification of an area designated as critical habitat for any species listed as a threatened species or an endangered species under such Act,” as well as any associated interconnection property.

Sec. 102 – *Fishing Vessel Alternative Fuels Pilot Program*

To provide resources necessary to transition fishing vessels from diesel to alternative fuel sources such as electric or hybrid, this provision establishes a pilot grant program at EPA to 1) transition fishing vessels to alternative fuels, 2) acquire and deploy shoreside infrastructure necessary for such transition, which may include charging stations for electric fishing vessels or other alternative fuel-specific refueling stations, and 3) provides grant funds for research and development of alternative fuel technologies for fishing vessels.

The current version of this provision authorizes \$20 million per year for fiscal years 2025-2030. Of that \$20 million, 30% (\$6 million) would be for costs associated with fishing vessel transitions, 30% (\$6 million) for necessary shoreside infrastructure, and 40% (\$8 million) for research and development of alternative fuel technologies for commercial fishing vessels.

Additionally, the bill authorizes \$2 million for a joint study with EPA and DOE on “(1) methods to further develop alternative fuels for use with commercial fishing vessels; (2) how to improve existing alternative fuel technologies in commercial fishing vessels; (3) the fuel sources available for commercial fishing vessels, and the limitations of those fuel sources; and (4) opportunities for the use of hybrid technologies in commercial fishing vessels.”

TITLE II – FISHERIES AND SEAFOOD

Sec. 201 – *USDA Loan Guarantees for Commercial Fishermen and Fish Processors*

Opening USDA Loan programs to commercial fishermen and fish processors would improve access to needed food security and economic opportunities for coastal residents and businesses. This provision would expand eligibility for USDA Farm Ownership Loans and Farm Operating Loans to commercial fishermen and fish processors to acquire, operate, and maintain commercial fishing vessels and fish processing facilities. Commercial fishermen would also be able to use farm ownership loans to acquire fishing permits associated with their fishing operation.

This provision combines two working waterfronts provisions you previously approved for inclusion: 1) expanding USDA loan guarantees and 2) including wild-caught fish and shellfish in the definition of “agricultural commodity or product” for the purposes of the Farmers’ Markets and Local Food Promotion Program.

Sec. 202 – *Fishing Industry Credit Enhancement Act*

Currently, Farm Credit is available for farmers ranchers, and fishermen, as well businesses that provide support services for farmers and ranchers. However, businesses providing support

services to fishermen were not included in the legislation. This provision corrects that apparent oversight by expanding Farm Credit eligibility to fishing industry support businesses.

Sec. 203 – Testing for Shellfish Mariculture

Amends the Harmful Algal Bloom and Hypoxia Research and Control Act (HABHRCA) to expand the scope of NOAA’s National Harmful Algal Bloom and Hypoxia Program (NHABHP) to 1) support shellfish mariculture and 2) provide access to testing for harmful algal bloom toxins for subsistence and recreational shellfish harvesters through innovative methods that increase the efficiency and effectiveness of such testing in rural and remote areas.

Shellfish mariculture is defined as “the cultivation of shellfish in their natural habitat for human consumption” for the purposes of this section.

Sec. 204 – Domestic Seafood Marketing and Promotion

Amends the Saltonstall-Kennedy Act to modify how funds in the Promote and Develop American Fisheries Products and Research Pertaining to American Fisheries Fund (P&D account) are apportioned.

This provision would:

1. Amend the portion of funds within the P&D account available solely for the Saltonstall-Kennedy competitive grant program from “all moneys” in the account to 25%,
2. Specify that, of the 25% of funds made available in the P&D account, 75% shall be reserved for direct industry grants under the S-K grant program, 20% shall be used to carry out the Young Fishermen’s Development Act (YFDA), and the remaining 5% shall be used for the National Fisheries Research and Development Program.
3. Allows any remaining funds to be used in subsequent fiscal years, but directs the Secretary to obligate funds so that the balance remaining does not exceed \$10 million, which amends the current \$3 million. This would allow the Secretary to allocate funds in a way that allows for more to carry over to subsequent fiscal years than the current language, thereby providing greater inter-annual flexibility for both the agency and the S-K grant program.

Sec. 205 – Electronic Monitoring Innovating Prize

Establishes an innovation prize for the development of advanced electronic fisheries monitoring equipment and data analysis tools, including improved fish species recognition software.

Sec. 211-214 – Coastal Seaweed Farming Act

This provision establishes two key programs to promote coastal seaweed farming and support Indigenous seaweed farming efforts:

1. Section 212 directs the Under Secretary of Commerce for Oceans and Atmosphere, in collaboration with the Secretary of Agriculture, to offer technical assistance to eligible entities engaged in seaweed farming. This includes aiding in farming design,

development, species selection, and operation while ensuring minimal negative impact on marine ecosystems and communities.

2. Section 213 sets up an Indigenous Seaweed Farming Fund to provide grants for various purposes related to seaweed farming, such as farm establishment, equipment purchases, ecological impact mitigation, and habitat provision for native species.

Authorized funding for technical assistance is set at a total of \$5 million for fiscal years 2025 to 2029, while \$20 million per year is authorized for the Indigenous Seaweed Farming Fund for fiscal years 2025 to 2029.

TITLE III – SHORESIDE INFRASTRUCTURE

Sec. 301-304 – *Rural Coastal Community Processing and Cold Storage Grant*

Increases support for community infrastructure such as cold storage, cooperative processing facilities, and mariculture/seaweed processing facilities by establishing a competitive grant program through the Department of Commerce for rural and small-scale projects. The new grant program would allow the Secretary of Commerce to make grants or enter into cooperative agreements to support pilot projects relating to the construction of new seafood and mariculture processing and cold storage infrastructure, or the rehabilitation, repair, or retrofitting of existing infrastructure.

Rural coastal community uses the definition provided in the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)), which states that “rural” means “any area other than—(i) a city or town that has a population of greater than 50,000 inhabitants; and (ii) any urbanized area contiguous and adjacent to a city or town described in clause (i).”

Of the \$10 million authorized for the grant program for fiscal years 2025-2029, 50% is reserved for “small-scale” rural facilities that have 50 or fewer employees.

Sec. 311 – *Working Waterfronts Development Act*

Establishes a grant program at the Economic Development Administration in the Department of Commerce for infrastructure improvements for facilities benefitting commercial and recreational fishermen, mariculturists, and the boatbuilding industry.

Eligible projects for the grant program include construction or repair of wharfs and related infrastructure; access points; improvements to boost resilience to climate change; projects that permanently designate property as a working waterfront area; or projects that have been approved by the relevant state government entity that regulates fishery management and coastal areas. Eligible entities are coastal state or local governments, nonprofits, or individual participants in the fishing industry. Additionally, the eligible entity must be able to meet a 50% cost sharing requirement.

In weighing projects, the Secretary of Commerce must consider the economic significance of the project, demonstrated need for the project, if alternate adequate waterfront access exists in the community, permanence of the project’s compatibility with the community’s fishing uses, and if the entity has a business plan for the area.

The bill authorizes \$20 million per year from 2025-2029.

TITLE IV – WORKFORCE DEVELOPMENT

Sec. 401 – *Maritime Workforce Grant Program*

Establishes a Maritime Workforce Grant Program, directing the Secretary of Transportation, through the Maritime Administrator, to award competitive grants supporting entities engaged in recruiting, educating, or training the maritime workforce.

Eligible applicants can receive grants for various activities, including creating or improving training programs, providing technical training leading to maritime credentials, offering maritime education to high school students, supporting teacher development, establishing scholarships or apprenticeships, conducting outreach to schools and underrepresented communities, and generally enhancing the maritime workforce. The Secretary must consult with industry representatives, ensure broad participation across rural, suburban, and urban areas, and allocate at least 25% of the annual grant funds to entities in rural regions.

An annual appropriation of \$25,000,000 for fiscal years 2025 through 2029 is authorized for this program.

Sec. 402 – *Fishing Industry Safety, Health, and Wellness Improvement (FISH Wellness) Act*

Expands the Coast Guard and CDC’s National Institute for Occupational Safety and Health (NIOSH) Fishing Safety Research and Training (FRST) Grant Program to include projects supporting behavioral health in addition to the projects currently supported dedicated to occupational safety research and training.

This provision would also increase total authorized funding from \$6 million to \$12 million for the fiscal years 2025 and 2026.

TITLE V – MISCELLANEOUS

Sec. 501-503 – *Ocean Regional Opportunity and Innovation Act*

This provision would require the Secretary of Commerce, acting through the administrator of EDA and in consultation with the administrator of NOAA, to designate at least one ocean cluster in each of the five domestic NOAA Fisheries regions, as well as the Great Lakes and Gulf of Mexico regions.

The ocean cluster model fosters collaboration between different sectors – including public, private, and academic – within a geographic region to promote economic growth and sustainability in the Blue Economy. Ocean clusters offer members physical workspaces, as well as networking, funding and investment, and programmatic opportunities. While the ocean cluster model is increasingly popular for developing the Blue Economy, the U.S. currently lacks an overarching federal strategy for cluster development and investment in the blue economy.

\$10 million per fiscal year is authorized to award grants for the operation and administration of ocean clusters with the goal of helping them become membership-based, self-sustaining entities.

Sec. 511-514 – *Vegetated Coastal Ecosystem Inventory*

This section establishes the Interagency Working Group on Vegetated Coastal Ecosystems under the National Science and Technology Council for the creation and maintenance of a comprehensive national map and inventory detailing vegetated coastal ecosystems. This inventory encompasses habitat types, species, ecosystem conditions, ownership, protected status, size, salinity and tidal boundaries, carbon sequestration potential, and impacts of climate change.

The Interagency Working Group is tasked with incorporating existing data, engaging regional experts, and utilizing this inventory to evaluate carbon sequestration, assess emissions from degraded ecosystems, aid in regional assessments and technical assistance, identify restoration opportunities, predict sequestration rates in changing conditions, and explore coastal vegetation's role as natural infrastructure against climate hazards.

Additionally, the inventory aids in understanding the effectiveness of different coastal vegetation in diverse climates, including the Arctic, and informs the EPA's annual Inventory of U.S. Greenhouse Gas Emissions and Sinks.

This provision also authorizes \$3 million per fiscal year (2025-2026) for cold-climate coastal natural infrastructure research and pilot projects.

Sec. 521-523 – Coastal Communities Ocean Acidification Act

Amends the Federal Ocean Acidification Research and Monitoring Act of 2009 to enhance collaboration on ocean acidification research and monitoring. The amendments introduce ongoing mechanisms for stakeholder engagement – including industry members, coastal stakeholders, Indigenous groups, and non-Federal scientific experts – to provide input on necessary research and monitoring.

This provision would also establish two Advisory Board seats for “Two representatives from Indian Tribes, Native Hawaiian organizations, Tribal organizations, and Tribal consortia affected by ocean acidification and coastal acidification.”

Sec. 531 – Marine Invasive Species Research and Monitoring

With warming ocean conditions, invasive species, like the European green crab in the Pacific Northwest and Southeast Alaska, colonize new habitats to the detriment of native species. To provide resources and tools to mitigate the impact of invasive species and help limit their spread, this provision authorizes grant funds for research and monitoring funds for local, Tribal, and regional marine invasive prevention work. This includes training, outreach, and equipment for early detection and response to invasions.

This provision also transfers the Coastal Aquatic Invasive Species Mitigation Grant Program and Mitigation Fund from the Vessel Incidental Discharge Act of 2018 to the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 for better alignment across marine invasive species response and research.

