

To: The Honorable Vince Tutiakoff Sr.  
The Unalaska City Council  
Erin Reinders, City Manager  
J.R. Pearson, Asst. City Manager

From: Brad Gilman, Rick Marks, & Sebastian O’Kelly

Re: Washington Update

Date: May 6, 2022

**1. FY 2022 Federal Budget/Appropriations:** Congress has enacted an Omnibus Appropriations bill for FY 2022. It includes a 6.7 percent increase in non-defense spending over FY 2021 levels and a 5.6 percent increase for defense. The bill includes funding for the Makushin Geothermal Project (see #5).

**2. FY 2023 Federal Budget/Appropriations:** The President has submitted his budget request for FY 2023. As was the case for the beginning of the FY 2022 appropriations process, there are significant differences between the parties on the level of increases for defense and non-defense spending that will need to be negotiated before any appropriations bills can be enacted. While individual appropriations bills may move through the Appropriations Committees and pass the House, it is highly unlikely that any appropriations bills will be enacted by the start of the Oct 1 fiscal year. We are likely to see consideration of a final Omnibus Appropriations Bill, considered in either a post-election Lame Duck session, or at the start of the new Congress in the first quarter of 2023. This has become standard operating procedure.

Senator Murkowski will submit Congressionally-Directed Spending requests for FY 2023. Consistent with FY 2022, Senator Sullivan will not submit requests this year. The Office of the At Large Congressional District of Alaska (see #3) cannot submit CDS requests.

On behalf of the City, we have submitted or advised on the following project requests to Senator Murkowski – Solid Waste Gasifier; Captains Bay Road Improvements; Unalaska Marine Center Cruiseship Terminal; Unalaska Harbor Channel Dredging Project; and Robert Storrs Small Boat Harbor Improvements.

**3. Office of the At Large Congressional District of Alaska:** After the passing of Rep. Young, the Clerk of the House, under procedures for vacant seats, now administers what is called the Office of the At Large Congressional District of Alaska until Alaska voters select an interim replacement to serve out the remainder of the Congressman’s term. The Office remains staffed by former Rep. Young staffers but can no longer have legislative responsibilities, take policy positions or conduct policy analysis. The Office can assist with requests for information. It can also continue to work on casework that had been initiated prior to the Congressman’s passing. New casework requests should be directed to Alaska’s Senators. A full description of the Office’s duties is at the link below.

<https://clerk.house.gov/members/AK00/vacancy>

#### **4. The Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law (BIL)**

**Implementation:** Funding from a number of programs in the BIL is beginning to roll out, some in the form of formula funding to SALT governments, other in the form of competitive grant announcements. A number of other BIL initiatives will come out later over the next three quarters. It is worth keeping in mind that while a few programs will distribute all of their funding in the first year since BIL was enacted, most will do so in tranches over a 5 year period. We will continue to watch out for agency Notices of Financial Assistance (NOFA) and pass them along to the City Manager and staff.

A few of the latest developments are as follows.

- **Dept of Transportation ROUTES Initiative:** As referenced in our last report, we encourage signing up for the Department’s Rural Opportunities to Use Transportation for Economic Success (ROUTES) initiative through this [link](#). It is free. Registering enables participation in DOT webinars on rural transportation grant opportunities and application procedures as well as email notices of grant opportunities.
  - **Senator Murkowski Grant Symposium:** Senator Murkowski and her staff organized a grants symposium in Anchorage in April to advise SALT governments and non-profits on how to access the funding in the BIL. A number of Federal agencies participated. The Senator’s web site includes links to the agencies’ presentations, several of which have information on programs available, criteria, and timing of NOFAs.
- [Denali Commission](#)
  - [U.S. Department of the Interior](#)
  - [U.S. Department of Transportation](#)
  - [U.S. Department of Energy](#)
  - [Economic Development Administration](#)
  - [Federal Communications Commission](#)
  - [FEMA](#)
  - [Indian Health Services](#)
  - [NOAA](#)
  - [NTIA](#)
  - [U.S. Department of Agriculture](#)
  - [U.S. Department of Defense/Army Corps](#)
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- **Rural Surface Transportation Grant Program:** This is one of the new grant programs created in the BIL that should be of interest to AK communities. It includes typical surface transportation projects such as roads and bridges. \$300 million is available for the first year, with grant applications due on May 23<sup>rd</sup>. The NOFO is being combined with the Mega and INFRA grant programs but can be applied for on a stand-alone basis. The BIL provided \$2 billion for this program over five years.  
[https://www.transportation.gov/sites/dot.gov/files/2022-03/FY22%20Multimodal%20Project%20Discretionary%20Grant%20-%20NOFO\\_final\\_0.pdf](https://www.transportation.gov/sites/dot.gov/files/2022-03/FY22%20Multimodal%20Project%20Discretionary%20Grant%20-%20NOFO_final_0.pdf)
- **MARAD Marine Highways Grants:** Southeast Alaska along with the Gulf of Alaska stretching along the southside of the Aleutian Islands to Unalaska has just been officially designated as a Marine Highway by the Department of Transportation. As such, communities that have maritime infrastructure projects that support commerce and shipping along this route can now apply for funding from the Marine Highways Program. \$39 million is available this year, about three times the amount typically available in the program. Applications are due June 17, with NOFA at the link --  
<https://www.federalregister.gov/documents/2022/04/26/2022-08830/notice-of-funding-opportunity-for-americas-marine-highway-projects>
- **DOT Carbon Reduction Formula Grant Program:** This is a 5 year program with \$1.2 billion available this year with funds awarded to States on population-weighted basis then further to localities for activities like pedestrian walkways, bike paths, electric vehicle charging, promotion of non-motorized transport, harbor/port electrification or other transportation activities that reduce emissions. The State of Alaska will receive a total amount of \$82 million under the formula, 65 percent of which is required to be distributed to AK localities on a population-weighted basis. Details at the link --  
[https://www.fhwa.dot.gov/bipartisan-infrastructure-law/crp\\_5year\\_funding\\_by\\_state.cfm](https://www.fhwa.dot.gov/bipartisan-infrastructure-law/crp_5year_funding_by_state.cfm)

5. **Makushin Geothermal Energy Project:** The FY 2022 Omnibus Approps Bill included \$2.5 million in CDS spending from the Department of Energy for the project. The Qawalangin Tribe is the funding recipient and is working with the OCCP partnership on use of the funds. For FY 2023, the Tribe has submitted two CDS requests to Senator Murkowski's office for the project – one for the well field, mapping, geoscience, testing and drilling work, including materials and equipment, and the second for substations and battery purchases and installation.

6. **EPA Brownfield Grant Awards:** We hear that the EPA decisions on brownfield grant awards from the application round in late 2021 is imminent and could be any day now. EPA has announced the next round of applications with proposals due June 3<sup>rd</sup>. This round will fund applications coming from States and Tribes using funds appropriated in the BIL.

7. **Build Back Better Bill (BBBB):** Media reports have indicated an effort to revive the BBBB, with a reduced funding amount that focuses on its clean energy provisions. Despite these reports, we have seen no sign of any substantive negotiations.

## 8. Fisheries & Oceans

- **Fishery Disaster Assistance:** We are still waiting on NOAA Fisheries to allocate the \$200 million in fishery disaster assistance funding provided by the Congress as part of last year's Continuing Resolution. The allocations would be provided to fishery disasters approved by the Secretary of Commerce which have not yet been funded.

Separately, the House and the Senate are working on a final version of legislation to reform the national Federal fisheries disaster process. That legislation includes eligibility for fisheries-dependent localities to receive future direct fisheries disaster relief for foregone raw fish taxes. We are seeking to add a retroactive clause to cover fisheries disasters such as the Bering Sea crab disaster but do not have confirmation yet on whether it will be included in the legislation. We expect a final version of the bill to surface within the next few months and the bill likely to pass this Congress.

Lastly, in January, the Secretary of Commerce approved nine Alaska region fishery disaster petitions, making these fisheries eligible for federal disaster assistance funding. These are biological fishery disasters, not social and economic disasters relating to the COVID Pandemic. The fisheries are—

- Upper Cook Inlet East Side Set Net (2018) and Upper Cook Inlet salmon fisheries (2020)
- Copper River Chinook and sockeye salmon fisheries (2018)
- Prince William Sound salmon fisheries (2020)
- Copper River Chinook, sockeye, and chum salmon fisheries (2020)
- Eastern Bering Sea Tanner crab (2019/2020)
- Pacific cod in the Gulf of Alaska (2020)
- Alaska Norton Sound, Yukon River, Chignik, Kuskokwim River, and Southeast Alaska salmon fisheries (2020)
- Yukon River salmon fishery (2021)

Alaska fisheries disaster requests currently under review by the Secretary but not yet declared include:

- 2021 Chignik salmon fisheries
  - 2021/2022 Bering Sea crab fisheries
  - 2021 Norton Sound chum and coho salmon fisheries
  - 2020 and 2021 Norton Sound red king crab fisheries
- **Marine Debris Foundation Appointments:** NOAA has appointed 12 individuals to oversee the new Marine Debris Foundation created by the Save Our Seas Act 2.0. Senator Sullivan, the Senate sponsor of the law, praised the appointments, which include two representatives from Alaska.
  - **Electronic Monitoring In North Pacific Fisheries:** The FY 2022 Consolidated Appropriations Bill includes Senator Lisa Murkowski's CDS request of \$2 million for

electronic monitoring in the North Pacific. The funds are designated to the Pacific States Marine Fisheries Commission for implementation.

- **American Fisheries Advisory Committee:** This legislation, authored by Senator Sullivan and Rep. Young and cosponsored by Senator Murkowski, has now passed the House and Senate and awaits the President's signature. It establishes a group of outside fisheries experts to review and guide NMFS's selections of Saltonstall-Kennedy grants and priorities.
- **Alaska Groundfish Surveys:** As requested by Senator Murkowski, the FY 2022 Consolidated Appropriations Act includes funding and a directive that NMFS conduct no less than six groundfish trawl and cooperative research surveys, one of which shall be to capture fish movements out of historic survey areas. This is the same number of surveys funded in FY 2021.
- **Alaska Salmon Research Taskforce:** Legislation introduced by Rep. Young to establish an outside panel of salmon experts and researchers to examine the cause of decline of Pacific salmon returns in a number of Alaska's waters has now passed the House. Senator Sullivan is the sponsor of the counterpart Senate bill
- **North Pacific Observer:** The FY 2022 Consolidated Appropriations Act includes \$7,500,000 for the North Pacific Observers Program. Report language was included to encourage NMFS to support the transition to electronic monitoring and reporting and to identify and implement any efficiencies that would mitigate the cost burden shouldered by small vessel operators in the fixed-gear fleet.
- **Ringed Seals:** The National Marine Fisheries Service has issued a final rule designating critical habitat for the Arctic subspecies of the ringed seal under the Endangered Species Act. The critical habitat designation comprises an area of marine habitat in the Bering, Chukchi, and Beaufort seas. There are references to commercially valuable cod species being important prey for the ringed seals, and several comments raised concerns about potential commercial fishing impacts on the subspecies.
- **National Academy of Sciences Bottom Trawl Study:** In January, the Academy released a study on the impacts of bottom trawling on marine ecosystems. The investigators obtained data from 24 large marine areas worldwide to look at the relationship between distribution and intensity of trawling activities and the biological state of seabeds. The study concluded that seabeds are in good health where trawl fisheries are sustainably managed.
- **Russian Seafood:** Senator Dan Sullivan (R-AK) introduced S. 3614, "United States-Russia Federation Seafood Reciprocity Act of 2022". The legislation is cosponsored by Senators Lisa Murkowski (R-AK) and Marco Rubio (R-FL). The bill would impose a ban on the import of all Russian seafood products into the United States in response to Russia's own prohibition on the import of U.S. and other western seafood products. The prohibition would terminate at the point in the time that Russia terminates its current

import sanctions on U.S. seafood products. The bill does not appear to address the import of Russian seafood products which are re-processed in China and imported into the United States as Chinese seafood products.

- **Offshore Aquaculture:** Representatives Steven Palazzo (R-MS) and Ed Case (D-HI) introduced H.R. 6258, the “Advancing Quality and Understanding of American Aquaculture (AQUAA) Act. The purpose of the bill is to support the development of a sustainable marine aquaculture industry in federal waters. The bill would require the development of a national aquaculture plans; create a process for the designation of aquaculture opportunity areas; and provide national standards to evaluate aquaculture permit applications and proposed aquaculture opportunity areas. Additionally, the Secretary of Commerce would develop aquaculture management plans to regulate federal aquaculture activities. The bill has been referred to the House Natural Resources Committee.
- **Seafood Processor Pandemic Block Grants:** In March, USDA announced the award of \$50 million in grants to eligible States to help defray the pandemic costs borne by seafood processors, processing facilities and processing vessels. The grant funding was awarded to state agencies and commissions which, in turn, will manage the distribution of funds to eligible participants. \$30,694,746 was provided to Alaska for further distribution to eligible processors.
- **Seafood Import Monitoring Program (SIMP):** Included in House-passed legislation (The America Competes Act) to address economic and technological competitiveness with China is a measure to apply the existing SIMP to all U.S. seafood imports within two years and apply traceability standards to cover the entire seafood supply chain all the way to the point of final sale. The Department of Commerce would also be required to develop import auditing procedures with a focus on identifying seafood produced by human trafficking, forced or child labor which are currently banned from importation under existing law. A coalition of thirteen fisheries and seafood associations nationally sent a letter to the House Leadership opposing the expansion of SIMP due its projected increase in paperwork and compliance burdens. The America Competes Act is in House-Senate Conference.
- **Miscellaneous Fisheries Legislation:** The House-passed version of the America Competes Act contains a number of other fisheries-related measures, including -- a ban on the commercial use of shark fins; denial of U.S. port privileges for violation of the high seas driftnet ban, IUU fishing or fishing with forced labor; \$5 million in authorized funding to support fishing vessel purchase of AIS systems with an inclusion requiring AIS for fish processing and tendering vessels > 65 feet; a fee system for halibut IFQs in the recreational fishing sector; and the previously passed Driftnet Modernization and Bycatch Reduction Act aimed at phasing and buying out the California swordfish driftnet fishery. The bill also creates a Marine Mammal Health Monitoring and Analysis Platform to collect data on marine mammal deaths. It authorizes DOC to make grants to promote the consumption of seafood products that are local or domestic, climate-friendly, minimize marine mammal bycatch or focus on invasive or less known species.

- **Magnuson-Stevens Act Reauthorization:** In response to the passing of Rep. Young, WOW Subcommittee Chairman Jared Huffman (D-CA) announced a pause in further consideration of his legislation, H.R. 4690, “Sustaining America’s Fisheries for the Future Act of 2021”, and Rep. Young’s MSA bill – HR 59, “Strengthening Fishing Communities and Increasing Flexibility in Fisheries Management Act”. Mr. Huffman has indicated that he will wait for the results of the special election in Alaska to replace Mr. Young. The new Representative will not be seated until after the August special election, leaving little time in this Congress for the legislation to move forward. There has been no activity on MSA legislation in the Senate.
- **Coast Guard Reauthorization Legislation:** The House has passed its version of the Coast Guard reauthorization bill. The bill would require all vessels operating in U.S. waters and U.S. vessels greater than 65 feet overall in length that are fishing, fish processing or fish tendering in U.S. waters, to be equipped with and operate an automatic identification system under Transportation Department-prescribed regulations. The bill would authorize \$5 million for FY 2022 for the Commerce Department to purchase automatic identification systems for those vessels greater than 50 feet in length. Ships operated by the Russian government or owned or operated by a Russian national would be barred from entering or operating in U.S. waters or transferring cargo in a U.S. port or place under U.S. jurisdiction, unless the State Department determines that it is in the U.S. national security interest.