



March 18, 2020

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

The Honorable Nancy Pelosi
Speaker of the House of Representatives
United States Congress
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader of the Senate
United States Congress
Washington, D.C. 20510

Dear Mr. President, Speaker Pelosi, and Majority Leader McConnell:

The U.S. seafood industry is a \$103 billion network of interdependent harvesters, processors, distributors, and restaurants and retailers. More than 500,000 Americans work in this system, which is vital to our nation's security, public health, and safety. COVID 19 and governments efforts to contain its spread have had, and will continue to have, a devastating impact on this supply chain.

Starting with where Americans enjoy seafood: We eat 2/3 of our fish away from home, about \$70 billion each year. But for rare exceptions, seafood is not a "take away" item, nor are most families comfortable cooking it at home. Due to COVID, states and cities with about 40% of the nation's restaurants have imposed severe restrictions on these outlets – and that percentage will rise. Sales of seafood away from home are down 90% in the past week. Restaurants are cash businesses, and without customers, these restaurants cannot pay their seafood suppliers.

How restaurants get their fish: Distributors, large and small, family-owned, daily deliver fish to restaurants. Due to government mandates to close restaurants, distributors will lose \$5.2 billion in sales each month. When restaurants cannot pay these suppliers, distributors reduce purchases from processors.

Who prepares fish for us: The U.S. Department of Commerce estimates about 220,000 Americans work in processing seafood. They cut and finish the product into a form we enjoy at restaurants or at our kitchen tables. Initial processing is often performed in remote coastal regions and is difficult work that American shy from. Seafood processors nationally are

furloughing or laying off about 35% of their employees. Without payments from distributors, those 77,000 furloughs have begun to turn into layoffs. Reducing costs now is essential to keep these businesses running and viable on the future, and providing temporary help to these 77,000 impacted workers is essential.

And where does it all start: Fishermen start this complex supply chain. They catch or farm the fish that ends up at the restaurant or kitchen table. In Alaska especially, restrictions are likely to prevent rotational and replacement crews from reaching the vessels that ply the Bering Sea. Experts estimate that the severe slowdown in restaurant and retail sales, and associated supply chain bottlenecks, will cost the Alaska harvesting sector \$250 million in the next few months and more than double past \$500 million across the Alaska seafood industry. Maine, North Carolina, Florida, and Texas will be similarly whacked. Those impacts will be especially acute in rural coastal communities, where seafood is often the largest part of people's wages.

The seafood community faces an unprecedented threat to its continued viability. The Federal government must act immediately to preserve the critical American harvesting, processing, and distribution infrastructure that provides food to families. That relief should take the form of:

Seafood Workforce Relief Fund - Congress must provide direct stimulus in the form of grants to seafood companies that employ men and women who harvest, process, and distribute fish. To prevent additional layoffs that will increase the unemployment rate and to preserve critical food infrastructure, Congress should immediately provide relief to temporarily unemployed seafood workers in the seafood sector. The fund will help seafood companies meet their payroll obligations, slow the growth of rising unemployment numbers, and help keep employees on employer provided health insurance, lessening the impact on other government programs.

Seafood Processing Worker Flexibility – The Administration should immediately increase the number of H2B visas available for seafood workers and revamp the how visas are processed, enabling workers to get to remote processing plants in time to work the fish that vessels are now landing.

Operating Liquidity - Congress must act to ensure liquidity in the seafood supply chain. Without customers, restaurants cannot pay their distributors, who cannot pay their processors, who cannot pay fishermen. The government must preserve operating liquidity for these companies by, for example: 1) developing a dollar-for-dollar grant program for seafood companies with accounts receivable losses; 2) compensating seafood processors experiencing losses due to cold chain and transportation disruptions, significantly enhanced employee screenings and precautionary sanitation protocols; 3) reducing costs associated with maintaining or expanding employment in the sector, and; 4) providing quick access to short term lending through banks, a much streamlined Small Business Administration process, and other means.

Government Seafood Purchasing - The Administration must support the seafood infrastructure by immediately ramping up federal purchases of seafood products (and temporarily waiving associated Federal contracting rules and regulations to facilitate relief to a broader cross section of US businesses as quickly as possible), via programs such as the Section 32 USDA purchasing program.

In summary, it is critically important that relief be targeted to companies, both large and small, that are best positioned to invest in and preserve the critical food infrastructure systems needed to ensure resilience to potential future disruptions.



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