

Billing Code 3410-05-P

DEPARTMENT OF AGRICULTURE

Farm Service Agency

Commodity Credit Corporation

[Docket ID CCC–2020–0007]

Notice of Funds Availability (NOFA); Seafood Trade Relief Program (STRP)

AGENCY: Commodity Credit Corporation, Farm Service Agency, USDA.

ACTION: Notice.

SUMMARY: The Seafood Trade Relief Program (STRP) provides payments to eligible commercial fishermen of seafood commodities that have been impacted by trade actions of foreign governments resulting in the loss of exports. This document announces the availability of STRP funds for eligible active commercial fishermen as specified in this document, consistent with the Presidential Memorandum issued on June 24, 2020, “Protecting the United States Lobster Industry.” The Farm Service Agency (FSA) administers STRP on behalf of the Commodity Credit Corporation (CCC). Payments are for the purpose of expanding or aiding in the expansion of domestic markets for U.S. caught and sold seafood.

DATES: *Application period:* September 14, 2020, through December 14, 2020.

Comment Date: We will consider comments on the Paperwork Reduction Act that we receive by: **[insert date 60 days after date of publication in the *FEDERAL REGISTER*].**

ADDRESSES: We invite you to submit comments on the information collection requirements for STRP. You may submit comments by any of the following methods,

although FSA and CCC prefer that you submit comments electronically through the Federal eRulemaking Portal:

- Federal eRulemaking Portal: Go to <http://www.regulations.gov> and search for Docket ID CCC-2020-0007. Follow the online instructions for submitting comments.
- Mail: William L. Beam, Deputy Administrator, Farm Programs, Farm Service Agency, USDA, 1400 Independence Ave SW, Washington, DC 20250. In your comment, specify the docket ID CCC-2019-0007.

All comments received, including those received by mail, will be posted without change and publicly available on <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: William L. Beam, Deputy Administrator for Farm Programs, telephone: (202) 720-3175.

SUPPLEMENTARY INFORMATION:

Background

The Presidential Memorandum issued on June 24, 2020, “Protecting the United States Lobster Industry,” (<https://www.whitehouse.gov/presidential-actions/memorandum-protecting-united-states-lobster-industry/>) directs USDA to consider taking appropriate action, as permitted by law, to provide assistance to eligible U.S. commercial fishermen with seafood production that have been impacted by trade actions of foreign governments resulting in the loss of exports. USDA, in consultation with the Department of Commerce, determined that assistance was appropriate and will be made available under section 5(e) of the CCC Charter Act (15 U.S.C. 714c). This section authorizes CCC to act to increase the domestic consumption of agricultural

commodities by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities. FSA administers STRP on behalf of CCC.

Definitions

For STRP, the following definitions apply. These definitions of “commercial fishing” and “exclusive economic zone (EEZ)” are consistent with the definitions in the regulations of the Magnuson Stevens Fishery Conservation And Management Act, National Oceanic And Atmospheric Administration, Department Of Commerce (see 50 CFR 600.10, 622.2, and 635.2).

Commercial fishing means fishing that is intended to, or results in, the barter, trade, transfer, or sale of fish, but does not include aquaculture with the exception of geoducks and salmon.

Exclusive economic zone (EEZ) means the zone established by Presidential Proclamation 5030, 3 CFR part 22, dated March 10, 1983, and is that area adjacent to the United States that, except where modified to accommodate international boundaries, encompasses all waters from the seaward boundary of each of the coastal states to a line on which each point is 200 nautical miles (370.40 km) from the baseline from which the territorial sea of the United States is measured.

Eligibility and Payment Limits for STRP

This document announces the availability of STRP payments for commercial fishermen with seafood production reported as U.S. harvested in calendar year 2019. U.S. caught and sold seafood includes those fish or shellfish caught by U.S. vessels in

Canadian waters covered by the Treaty Between the Governments of Canada and the United States on Pacific Albacore Tuna Vessels and Port Privileges.

Eligible STRP production only includes marine species that are harvested by commercial fisherman who hold a valid federal or state license or permit to catch seafood, and such marine species are brought to shore and sold or transferred to another party that must be a legally permitted or licensed seafood dealer or processed at sea and sold by the same legally permitted entity that harvested or processed the product. Any seafood that is not sold to a permitted dealer or by a permitted dealer if the catch is processed at sea is ineligible for payment. Only those species and types of seafood listed in the table in this document are eligible for STRP payments. Geoducks and salmon are the only aquaculture production with estimated trade damages of more than \$5 million as required by STRP.

No person or legal entity, excluding a joint venture or general partnership, as determined by the regulations in 7 CFR part 1400 may receive, directly or indirectly, more than \$250,000 in payments made pursuant to this NOFA.

In general, STRP applicants with an average adjusted gross income (AGI) of \$900,000 or more are not eligible to receive an STRP payment. Specifically, the \$900,000 average AGI limitation provisions in 7 CFR part 1400 relating to limits on payments for persons or legal entities, excluding joint ventures and general partnerships, apply to each commercial fisherman as an applicant for STRP. The average AGI will be calculated for a person or legal entity based on the 3 complete tax years that precede the year for which the payment is made (for 2020 the tax years are 2016, 2017, and 2018). However, if the average AGI of a person or legal entity is greater than \$900,000, the

person or entity is not eligible to receive a STRP payment, unless at least 75 percent of the adjusted gross income of the person or entity is derived from farming, ranching, forestry, seafood production, or related activities.

State and local governments are not eligible.

In general, foreign persons are not eligible for STRP payments. Specifically, the foreign persons rules in 7 CFR part 1400, subpart E apply in determining eligibility for payments made according to this NOFA and for purposes of application of this subpart under this NOFA, production of seafood will be treated as production on a farm.

When applying, the U.S. commercial fisherman applicant will certify to FSA, on form CCC-916, the ownership share in pounds of the commercially produced seafood as reported to Federal and State fisheries, this includes harvested production in Territories of the U.S.. In order to be eligible for STRP, U.S. commercial fishermen operations must be in business at the time of application. Those commercial fishermen operations that are not in business at the time of application are therefore ineligible for STRP. A person or legal entity will be ineligible for STRP, if for a portion or all of the 2020 calendar year, such person or legal entity either:

- Does not have an ownership interest in the production; or
- Does not have a Federal or State permit for commercial fishing to harvest seafood.

Applicants must comply with the provisions of:

- This NOFA; and
- Form CCC-916 (and any required production evidence, if requested by FSA).

Application Process

Each eligible commercial fisherman applies for STRP participation once by completing a “2020 Seafood Trade Relief Program (STRP) Application” (form CCC-916), which is available on www.farmers.gov and in FSA county offices. Each applicant must submit a complete form CCC-916 either in person, by mail, e-mail, or facsimile to an FSA county office. Applicants may submit form CCC-916 in any county office nationwide. If a producer who applies must submit additional documentation for eligibility, such as certifications of compliance with payment limitation on form CCC-902 and adjusted gross income provisions on form CCC-941, or proof of a commercial license, those additional documents and forms must be submitted no later than 60 days from the date the producer signs the application.

No STRP payment will be issued until an applicant certifies, as applicable, the quantity of 2019 commercial production reported in pounds to Federal or State fisheries. The applicant must certify to the total commercial production by the application period deadline as specified in this document.

Trade Disruptions

There remain retaliatory tariffs by China on American seafood exports, which continue to disrupt seafood markets. The extent of those disruptions can be measured by estimating the extent to which seafood trade can reasonably be expected to be impacted by those retaliatory tariffs relative to pre-tariff trade.

The STRP rates were calculated using USDA’s assessment of the expected trade damage using partial equilibrium trade modeling. The model for each commodity is based on economic theory and each employ modeling frameworks and parameters widely

recognized and utilized in both the academic and trade policy communities. Based on the increased tariff, the models simulate the expected reduction in U.S. exports to the retaliatory partner market, holding other factors constant. Trade damages are calculated as the difference in trade with the tariff and the baseline (without the tariff).

The expected trade impacts depend on several factors, including the tariff levels, the amount of production affected by the trade disruption, the sensitivity of the retaliating country's consumers to higher prices due to the tariffs, and the availability of substitutes for U.S. products. The trade model factors all of these variables and the damage results provide an estimate for the adjustment costs due to the trade disruption. The rates are determined by allocating the adjustment costs over the affected supply to obtain a per-unit basis.

The methodology is similar to the approach USDA employed to estimate the trade damages for U.S. commodities affected by retaliatory tariffs to establish commodity payment rates for the Market Facilitation Program (MFP) and purchase targets for the Food Purchase and Distribution Program (FPDP). USDA provided a detailed accounting of how those gross damage estimates were calculated which may be found here:

2018 MFP and FPDP:

https://www.usda.gov/sites/default/files/documents/USDA_Trade_Methodology_Report_2018.pdf

2019 MFP and FPDP:

https://www.usda.gov/sites/default/files/documents/USDA_Trade_Methodology_Report_2019.pdf

Payment Rates and Payment Calculations

Data on impacted seafood tariffs¹ and global trade flows of seafood products in 2017² was used to estimate gross trade damages. Average domestic landings between 2017 and 2019 were used to determine payment rates per pound of eligible commodity.³ Commodities with estimated trade damages of less than \$5 million were not considered.

Species Group¹	Value of China's imports of U.S. seafood products (2017)²	Trade Damage (model estimates)	U.S. Domestic landings (2017-2019)³
	in million \$	in million \$	in million lbs
Salmon	\$319	\$135	840
Sole, Flounder, and Turbot	185	78	525
Pacific Cod.....	177	75	545
Lobsters	167	71	142
Crabs (Dungeness, King, Snow, and Southern tanner)	113	48	103
Pollock.....	90	38	3,368
Atka Mackerel, Sablefish, Goosefish, Pacific ocean perch.....	80	34	330
Squid	76	32	160
Tunas.....	18	7.5	59
Geoduck	15	6.4	8.4
Herrings.....	14	5.9	137

¹Commodities with estimated trade damages of less than \$5 million were not considered.

²Source: Trade Data Monitor.

³Source: NOAA fisheries

The STRP seafood payment rate is on a per pound basis as shown in the following table.

Seafood	Rate (\$/lb.)
Atka mackerel	\$0.10
Crab -Dungeness	0.47

¹The average size of China's retaliatory tariff on U.S. seafood products is 30%.

²Trade Data Monitor.

³ NOAA fisheries.

Seafood	Rate (\$/lb.)
Crab, King	0.47
Crab, Snow	0.47
Crab, Southern Tanner	0.47
Flounder	0.15
Geoduck	0.76
Goosefish	0.10
Herring	0.04
Lobster.....	0.50
Pacific Cod.....	0.14
Pacific Ocean Perch	0.10
Pollock	0.01
Sablefish.....	0.10
Salmon	0.16
Sole.....	0.15
Squid	0.20
Tuna.....	0.13
Turbot.....	0.15

Those payment rates reflect the estimated severity of the impact of trade disruptions to U.S. seafood caught and sold commercially, and the adjustment to new trade patterns for the types of seafood products identified in this document.

The actual production (in pounds) used to calculate an STRP payment under this document is not to exceed the 2019 reported commercial production in which the applicant had an ownership share (greater than zero shares) for seafood caught in U.S. territorial waters, including seafood caught in EEZs as authorized by treaties between the United States and Canada. The STRP payment, subject to the payment limit, will be calculated as follows:

$$\begin{aligned}
 & \text{Commercial Fisherman's Share of Production of Seafood Commodity (in} \\
 & \qquad \qquad \qquad \text{pounds)} \\
 & \qquad \qquad \qquad \times \text{STRP Payment Rate}
 \end{aligned}$$

For example, a commercial fisherman submits an application specifying cod landings for 2019 as 375,000 pounds. FSA calculates the payment by multiplying 375,000 X \$0.14.

Production Evidence

To apply for an STRP payment for seafood, on the application, the applicant commercial fisherman will certify the amount of commercial landings in pounds for the 2019 season. If requested by FSA, the commercial fisherman must also provide supporting documentation to provide production evidence for the amount and type of certified landings.

Examples of acceptable documentation for production evidence include: legal commercial fishing production records that are determined acceptable by the FSA county committee as verified by the appropriate Federal or State fishery management agency.

Paperwork Reduction Act Requirements

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), FSA is requesting comments from interested individuals and organizations on the information collection activities related to STRP. After the 60-day period ends, the information collection request will be submitted to OMB for the 3-year approval to cover STRP information collection.

To start the STRP information collection approval, prior to publishing this document, FSA received emergency approval from OMB for 6 months. The emergency approval covers STRP information collection activities.

Title: Seafood Trade Relief Program (STRP).

OMB Control Number: 0560-New.

Type of Request: New Collection.

Abstract: This information collection is required to support all STRP information collection activities (applicable notifications published in the *Federal Register*) to provide payments to the eligible applicants, with respect to seafood that have been impacted by trade actions of foreign governments resulting in the loss of exports. The information collection is necessary to evaluate the application and other required paperwork for determining the commercial fisherman's eligibility and assist in commercial fisherman's payment calculations.

To start the STRP collection approval, FSA received emergency approval from OMB for 6 months. The emergency approval covers this NOFA and any other STRP information collection activities.

For the following estimated total annual burden on respondents, the formula used to calculate the total burden hour is the estimated average time per response multiplied by the estimated total annual responses.

Public reporting burden for this information collection is estimated to include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collections of information.

Type of Respondents: Commercial fishermen.

Estimated Annual Number of Respondents: 43,000.

Estimated Number of Responses Per Respondent: 5.03.

Estimated Total Annual Responses: 216,300.

Estimated Average Time Per Response: 0.399 hours.

Estimated Total Annual Burden on Respondents: 86,308 hours.

FSA is requesting comments on all aspects of this information collection to help us to:

(1) Evaluate whether the collection of information is necessary for the proper performance of the functions of the FSA, including whether the information will have practical utility;

(2) Evaluate the accuracy of the FSA's estimate of burden including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

All comments received in response to this document, including names and addresses when provided, will be a matter of public record. Comments will be summarized and included in the submission for Office of Management and Budget approval.

Environmental Review

The environmental impacts for STRP have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C. 4321-4347), the regulations of the Council on Environmental Quality (40 CFR parts 1500-1508), and the FSA regulation for compliance with NEPA (7 CFR part 799).

As previously stated, the intent of STRP is to provide financial assistance to commercial fishermen for expanding or aiding in the expansion of domestic markets for U.S. commercially caught and sold seafood, because seafood commodities have been impacted by trade actions of foreign governments resulting in the loss of exports. The limited discretionary aspects of STRP (for example, determining AGI and payment limitations) were designed to be consistent with established FSA and CCC programs, but also take into account certain differences associated with seafood production from crop production. These discretionary aspects do not have the potential to impact the human environment as they are administrative. Accordingly, the following Categorical Exclusions in 7 CFR part 799.31 apply:

- § 799.31(b)(6)(iii) applies to financial assistance to supplement income, manage the supply of agricultural commodities, or influence the cost and supply of such commodities; and
- § 799.31(b)(6)(iv) applies to individual farm participation in FSA programs where no ground disturbance or change in land use occurs as a result of the proposed action or participation.

No Extraordinary Circumstances (§ 799.33) exist. As such, the implementation of STRP and the participation in STRP do not constitute major Federal actions that would significantly affect the quality of the human environment, individually or cumulatively. Therefore, CCC will not prepare an environmental assessment or environmental impact statement for this action and this document serves as documentation of the programmatic environmental compliance decision for this federal action.

Federal Assistance Programs

The title and number of the Federal assistance programs, as found in the Catalog of Federal Domestic Assistance, to which this document applies is 10.131 – Seafood Trade Relief Program.

Richard Fordyce,
Administrator,
Farm Service Agency.

Robert Stephenson,
Executive Vice President,
Commodity Credit Corporation.