

To: The Honorable Victor Shen  
The Whittier City Council  
Jackie Wilde, City Manager  
Shelby Carlson, Asst. City Manager  
Kris Erchinger, Finance Director

From: Sebastian O'Kelly

Re: Washington Report

Date: April 2, 2026

### **FY 2026 Appropriations**

The FY 2026 appropriations process has been contentious these past few months, resulting in shutdowns and lengthy delays. All the Appropriations Bills are now enacted, with the exception of the Homeland Security Appropriations Bill. The Trump Administration has decided to separately fund some of the DHS workforce, including Coast Guard service members, TSA examiners, and ICE and Customs Border Patrol agents, through a reprogramming of appropriations provided to DHS in the One Big Beautiful Bill Act. However, the workforce at FEMA and Cybersecurity Infrastructure Security Agency are not being paid under this directive, nor are significant numbers of civilian employees, vendors and contractors at all the DHS agencies. The Congress is in a two-week recess but discussions are continuing on reaching an agreement to fund DHS.

Congress did include Congressionally Directed Spending/Community Project Funding (CDS/CPF) in the enacted FY 2026 appropriations bills. The City has the following two Congressionally Directed Spending/Community Project Funding (CDS/CPF) included in the enacted legislation -- \$1.59 million for a new Waste Water Lift Station and \$310,000 for Asbestos Abatement at Begich Towers. Senator Murkowski submitted the two requests. The relevant EPA and USDA/RDA POCs to complete the follow on paperwork have been provided to the City.

### **FY 2027 Appropriations**

The FY 2027 appropriations process is fully underway, with the online portals for CDS/CPF and programmatic submissions to Senator Murkowski and Rep. Begich now closed. The next step for the two Members will be to decide which requests they will submit to the Appropriations Committees. Those submissions will occur this month, with the Appropriations Committees deciding which requests to fund in the May-Sept timeframe.

For FY 2027, the following CDS/CPF requests on behalf of the City have been submitted to Senator Murkowski and Rep. Begich – Shotgun Cove Road Construction; Delong Dock PED; Buckner Building Clean Up; and Ambulance Replacement.

The Trump Administration is expected to submit its FY 2027 budget request to Congress on April 3rd.

### **Shotgun Cove Road Project – FLAP Grant**

All three Members of the Alaska Delegation wrote letters of support to the DOT Secretary for the City's FLAP grant application to build the next segment of Shotgun Cove Road.

### **Coast Guard Ice Breakers**

The USCG Commandant has testified to Congress that “up to 4 Arctic Security Cutters” (the Coast Guard's new medium-size ice breaker) will be homeported in Alaska. He has further testified that the Coast Guard will procure 11 ASCs in total as part of a joint U.S.-Finland-Canada shipbuilding partnership, with the first ASC likely to be deployed in 2028. The Coast Guard is procuring three Polar Security Cutters (the Coast Guard's new heavy class ice breaker). Those are being built by Bollinger Shipyard in Mississippi but are behind schedule and over-budget. The first PSC is expected to be ready by 2030, with the first two vessels to be homeported in Seattle. There is expected to be an announcement soon on USCG plans for specific ASC homeports in Alaska.

Lastly, while failure to enact a Homeland Security Appropriations Bill has not impacted Coast Guard service members' pay, it has resulted in no pay for most of its civilian workforce as well as its contractors and other vendors. Media reports indicate that routine patrols are being canceled as well as fisheries enforcement operations, processing of merchant mariner credentials and other non-emergency activities.

### **Ports/Docks/Terminals**

MARAD has issued a revised FY 2026 grant application NOFO for the Port Infrastructure Development Program. \$488 million is available, with applications due June 26. Details at the link -- <https://simpler.grants.gov/opportunity/1f8d2e89-48a5-4ca9-942b-ed160d5a9182>. Separately, the grant awards for the FY 2015 applications are supposed to be announced “any day now.”

MARAD has come out with its NOFO for Small Shipyard Grants. \$35 million is available, twice last year's amount, for grants to shipbuilders for equipment purchases, yard improvements, and other facility upgrades. Application details are here -- <https://simpler.grants.gov/opportunity/1f8d2e89-48a5-4ca9-942b-ed160d5a9182>

### **Public Broadcasting**

As noted in our last report, the Trump Administration submitted a rescissions request last year terminating funding of the Corporation for Public Broadcasting and its local public media support funding, with the rescissions narrowly approved by Congress. Some temporary bridge funding was enacted to support rural public media stations through the Bureau of Indian Affairs for this year. We will track the issue and report on whether this funding gets extended in FY

2027. The Alaska Congressional Delegation is supportive of trying to find a Federal funding stream to support Alaska's public radio and TV stations.

### **White House Maritime Action Plan**

The Trump Administration has released its long-awaited Maritime Action Plan designed to reinvigorate U.S. commercial shipbuilding and the U.S. flag maritime sector. The recommendations include creation of Maritime Prosperity Zones, modeled on the existing Opportunity Zones, to create tax advantages for investments in shipbuilding. I will monitor to see where the MPZs may be located. Unless the MPZs are located in existing Opportunity Zones, legislation will be needed to apply any tax advantages.

### **Tariffs**

On February 20<sup>th</sup> the Supreme Court ruled 6-3 that the International Emergency Economic Powers Act (IEEPA) does not authorize the President to impose sweeping tariffs without the involvement of Congress. Senate Democrats have already introduced legislation to require the U.S. to repay all tariff revenues collected to date, which could amount to as much as \$160 billion to \$180 billion, or even upwards of 0.5% of the entire U.S. GDP.

To comply with the Court Order, the U.S. Customs & Border Patrol is developing an online portal to allow importers impacted by IEEPA-imposed tariffs to apply for refunds. The portal is in the final development and testing phase and will go live soon. Importers should pre-register now through CBP's ACE system. They will need to affirmatively request reimbursement. CBP will include interest, with reimbursement claims expected to take up to 45 days to process.

Despite the Court ruling, the Trump Administration has continued to move forward with assertive use of tariffs but is basing them on other legal authorities. These other authorities include national security rationale for tariffs (Section 232 tariffs) such as those on steel and aluminum, Section 301 sector specific tariffs, Section 338 country-specific tariffs, and 150 day temporary 15 percent (Section 122 tariffs) across the board tariff on imports from all nations. There will be continuing litigation and the U.S. tariff & trade situation will remain in substantial flux.

### **DOT Grant Opportunity – Safe Streets For All**

DOT has announced the grant opening for this year's applications to its Safe Streets For All program which is aimed at funding roadway projects that improve safety. Grants include both planning/demonstration (average amount awarded last year -- \$600,000) and construction (average -- \$10 million). Just under \$1 billion is available this year, with applications due May 26. Program details can be found here -- <https://www.transportation.gov/grants/SS4A>

### **Aleutian Islands – Military Interest**

In response to increasing investments and aircraft/vessel incursions in the Arctic by Russia and China, the U.S. military has been taking steps toward the possible re-opening of the Naval Base

at Adak. This has included increased U.S. military visits to Adak, affirmative statements by top military commanders, and recent Federal permit decisions made for upgrading the island's infrastructure. The One Big Beautiful Act includes \$115 million to be used toward its re-opening.

### **Permitting Reform Legislation**

The Standardizing Permitting and Expediting Economic Development (SPEED) Act (H.R. 4776) was passed by the House in December 2025. The bill overhauls the National Environmental Policy Act (NEPA) permitting process and aims to accelerate infrastructure, energy, and road projects by reducing red tape, limiting lawsuits, and shortening environmental review timelines. Bi-partisan negotiations on a Senate counterpart bill are on-going but moving slowly.

### **Fisheries & Oceans**

**American Seafood Competitiveness Act:** S. 4246 “American Seafood Competitiveness Act of 2026” was introduced on March 26<sup>th</sup> by Senators Murkowski and King (I-ME), with Senator Sullivan as a cosponsor. The bill expands access to U.S. Department of Agriculture (USDA) loans, grants, and credit programs for commercial fishing, seafood processing, and mariculture-related businesses – an important step in fulfilling the Executive Order on Restoring American Seafood Competitiveness and recognizing fishermen's role as “Farmers of the Sea.” It amends the Consolidated Farm and Rural Development Act (aka “The Farm Bill”) to include commercial fishing and fish processing as eligible agricultural activities for existing USDA financial assistance programs. Fishing businesses and rural communities that rely on the coastal economy would gain an additional option to finance their business, in the same manner that businesses and rural communities do who rely on the farming economy.

**FISH ACT & IUU Fishing:** On March 22<sup>nd</sup>, the Senate passed the Fighting Foreign Illegal Seafood Harvest” (FISH) Act (S.688) FISH Act. The FISH Act is sponsored by Senators Dan Sullivan (R-AK) and Sheldon Whitehouse (D-RI) and co-sponsored by Sens. Murkowski (R-AK). Identical House companion legislation has been introduced by Rep. Nick Begich (R-AK), Rep. Magaziner (D-RI), and Rep. Crenshaw (R-TX).

The FISH Act will direct NOAA to establish a blacklist of foreign vessels and owners that have engaged in IUU fishing, direct the executive branch to address IUU fishing in any relevant international agreement, direct the U.S. Coast Guard to increase its work with partner countries and increase at-sea inspection of foreign vessels suspected of IUU fishing, and direct the executive branch to report to Congress on how new technologies can aid in the fight against IUU fishing, the complexities of the seafood trade relationship between Russia and China, and the economic costs of IUU fishing to the U.S. Back in January 2026 the House Natural Resources Oversight and Investigations Subcommittee held a hearing on U.S. leadership in international conservation which included discussion of IUU fishing, particularly from China, and negative impacts of the MMPA Seafood Import Provisions Rule within the U.S. seafood sector. The FISH Act awaits further House consideration.

**Southeast Sea Otters:** The Delegation has been approached about developing legislation that would expand Native Alaskan subsistence and commercial harvest opportunities of the Southeast Sea Otters. Its population has grown significantly in number over last two decades and is negatively impacting southeast Dungeness crab and other nearshore fisheries. Current Native harvest levels are well-below sustainable and allowable harvests of the animals, with some claiming that USFWS restrictions on sale of pelts and methods for development of sea otter handicrafts are disincentives for greater Native harvests.

**North Pacific Right Whales:** Back in 2008 NOAA initially designated 36,800 square miles of critical habitat (CH) for NPRW in the Gulf of Alaska and Southern Bering Sea. In March 2022, NOAA was formally petitioned by ENGOs to expand the CH area. In September 2023, NOAA announced their intent to revise/expand the CH designation. Until recently, the issue remained quiet. However, in early 2026 NOAA staff indicated their intent to proceed with a CH rulemaking. As expected, and based on observations regarding vessel speed restriction controversies in both the Atlantic and Gulf of Mexico, some Alaska coastal communities, elements within the U.S. commercial fishing industry, and other marine stakeholders are concerned about possible negative economic impacts.

**Fisheries Bycatch Legislation:** In January 2026, Senators Sullivan and Murkowski introduced S. 3579 – the “Bycatch Reduction and Research Act” to help provide for research, oceanographic science, and gear technology assistance to the fishing industry. The legislation is based largely on the recommendations of the Alaska Salmon Bycatch Task Force. Rep. Begich introduced the identical House companion H.R. 6939. The legislation does not establish bycatch levels in Alaska fisheries – those decisions are left to the NPFMC which has recently taken action to establish a hard cap on chum salmon bycatch and a corridor closure in the Bering Sea pollock fishery. The legislation’s focus is instead on developing new gear and technologies to reduce bycatch; additional research on the causes of salmon decline in the North Pacific; and greater genetic sampling and tagging to track salmon movements and country of origin. As of this writing, neither bill has moved through Committee.

**Fisheries Disaster Relief – Alaska Fisheries:** The Department of Commerce has delayed or decided not to move forward with recent fisheries disaster relief requests. This includes 11 Alaska fisheries disaster relief requests submitted by Governor Dunleavy over the last 18<sup>th</sup> months where there has been no determination by the Secretary of Commerce. Another 6 Alaska disasters that were approved by the previous Secretary are somewhere in the Administration review process awaiting funding allocations, or final approval of the grant to the Pacific States Marine Fisheries Commission, the entity responsible processing and approving fishing industry and community relief applications. At the end of last year, Congress enacted an additional \$300 million for fisheries disaster relief. So there is funding available to cover at least some of the disasters. The Delegation is aware of these delays.

**Marine Monuments:** On April 17<sup>th</sup> President Trump signed a proclamation restoring commercial fishing access to all 4,913 square miles of the Northeast Canyons and Seamounts Marine National Monument, off the New England coast. Restoring commercial fishing access to this Obama-era national marine monument, originally established in 2016, has become an “on again-off again” exercise between different Administrations. There have been proposals in the

past to establish a “Heart of the Ocean” marine sanctuary off the Aleutian Islands. We do not think this Administration will move forward with such a proposal but it could re-emerge in a future Administration.

**MMPA Reform Legislation:** After floating a draft reform bill last year, so far in 2026, Rep. Begich has not formally introduced his MMPA legislation for consideration in the 119<sup>th</sup> Congress though reports from staff indicate discussions are still ongoing. Considering this is a mid-term election year with legislative time running short, and the MMPA is so highly controversial, a comprehensive MMPA reform bill is not anticipated for the remainder of the second session of the 119<sup>th</sup> Congress.

**Prohibition on Lead Ammo & Fishing Tackle:** HR 556, the “Protecting Access for Hunters & Anglers Act” passed the House on March 18<sup>th</sup> and was referred to the Senate Committee on Environment and Public Works with no action scheduled for the near term. The legislation prohibits the Interior and Agriculture departments from banning the use of lead-based hunting ammunition and fishing tackle or limiting the level of lead in those items for use on Federal lands or waters. It allows exemptions for particular lands or waters if the area is experiencing a decline in wildlife populations due to the use of lead ammo or tackle.

**NMFS Fisheries Annual Economic Report:** In February, NOAA released its reports “2023 Fisheries of the United States” and “2023 Fisheries Economics of the United States.” Highlights include:

- In 2023, U.S. commercial fishing, seafood, and recreational fishing supported 2.1 million full- and part-time jobs, generated \$319 billion in sales impacts, and contributed \$148 billion to gross domestic product.
- Total landings revenues in 2023 decreased 16 percent to \$5.1 billion in inflation-adjusted (real) 2023 dollars, primarily the result of falling prices.
- Recreational fishing generated \$145 billion in sales impacts, marking a 2 percent increase from 2022 to 2023. It remains an important part of the U.S. tourism sector and coastal economies.
- Aquaculture is poised as a key driver to increase American seafood competitiveness, with oysters alone accounting for \$205 million in 2023.

**Regional Councils Raise Concerns With NMFS on MSA Management & Science:** On February 2<sup>nd</sup> the RFMC’s Council Coordination Committee (CCC) sent a letter to NOAA/NMFS raising concerns with the Agency’s proposed “Framework for Narrowing the Scope of NMFS Management and Science” through application of a new “Risk/Value Matrix”. This issue of “how to do more with less” – i.e. how to effectively manage approximately 500 stocks and 45 FMPs to NSG 1 standards with insufficient resources & science has plagued the RMFCs for some time now, and the issue has not been resolved. ROMEA staff reported on this evolving issue in past reports on the RFMC CCC meetings.

**USFWS Proposes to Re-Define “Shellfish” to include Squid:** On March 6<sup>th</sup> the U.S. Fish and Wildlife Service (USFWS) proposed to amend the definition of “shellfish” by removing the phrase “having a shell” and including cephalopods -- including squid, cuttlefish, octopus, and nautilus. By doing so, the USFWS intends to reduce regulatory uncertainty and compliance

costs for the seafood trade in certain cephalopods, improve consistency in inspection and enforcement decisions, and avoid unnecessary permitting or documentation requirements resulting from misclassification. Alaska has a small but growing commercial fishery for market and magister squid and octopus.

**National Aquaculture Legislation:** On February 13<sup>th</sup> a national coalition of 420 organizations and businesses (led by the Don't Cage Our Oceans Coalition) sent a letter to Congress urging they reject the national aquaculture legislation titled the "Marine Aquaculture Research for America Act of 2025" (MARA Act; S.2586/H.R.5746). The signatories include commercial fishing groups, conservation and advocacy organizations, farmers and local community leaders. The proponents noted that ocean waters from three miles to more than 200 miles offshore support commercial fishing communities, coastal economies and marine ecosystems that depend on clean water and biodiversity. So far, there has been no Committee action on the legislation but in March there was an indication Senate Committee staff has asked NOAA for technical feedback on the legislation.

**"MAPS" Act:** On January 22<sup>nd</sup> the House Natural Resources Committee approved HR 3340 – the "Modernizing Access to our Public Oceans Act". The bill is designed to create a national website housing all information related to ocean resources, including Federal fishing regulations, gear restrictions, closed areas/seasons, marine notices, etc. The Senate companion (S.3786) passed the full Senate back in September. The bill, which is being supported by the national sportfish lobby, is expected to become law this year.

**Transfer Of NMFS Protected Species Authority To The USFWS:** Early in 2025, the Trump Administration proposed transferring NMFS's Office of Protected Resources and its ESA and MMPA responsibilities to the USFWS at the Dept of Interior. Any such change would substantially impact the conservation and management of marine mammals, including for all U.S. fisheries, State and Tribal co-management, stock assessments, Native ceremonial and subsistence harvest. Initially, the proposal looked like it had some momentum when the DOGE was at its peak in efforts to terminate certain programs and reduce Federal employment but since the phase-out of the DOGE, the issue has gone quiet. The enacted FY 2026 appropriations bill funding NOAA did not approve the transfer. We will continue to monitor.

**"Whale Charts" Act of 2026:** H.R. 7332 was introduced on February 3<sup>rd</sup> and aims to improve mapping of whale habitats and migration routes to reduce vessel strikes. It directs NOAA to use modern data, such as satellite detection and passive acoustics, to create high-resolution maps of whale locations. The bill has not yet moved out of Committee this Congress.

**Department of Interior Secretarial Order on Hunting and Fishing:** On January 7<sup>th</sup> Interior Secretary Burgum announced Order 3447 "Expanding Hunting and Fishing Access, Removing Unnecessary Barriers, and Ensuring Consistency Across the Department of the Interior Lands and Waters". The announcement was popular with many recreational stakeholders.  
<https://www.doi.gov/document-library/secretary-order/so-3447-expanding-hunting-and-fishing-access-removing-unnecessary>

**“Ropeless” Pot/Crab Gear Tested To Protect Whales:** Ropeless pot/crab gear is being tested on the West Coast in an effort to reduce the risk of whale entanglements, in particular humpback whales. In some of the more recent years, humpback whales have shifted migration patterns - which resulted in an above-average rate of entanglements in the Dungeness Crab fishery off the coasts of California, Oregon and Washington. The gear is currently being tested for reliability and the early models are quite costly. If ropeless gear gets fully deployed on the West Coast, we are likely to see efforts to do the same in Alaska’s crab and pot fisheries in areas where there have been whale entanglements.