

CARES Act Fisheries Disaster Assistance Program

Introduction

- **The CARES Act was passed by congress March 25, 2020**
- **Within the CARES Act is a specific set aside for eligible fishery participants called the Fisheries Disaster Assistance Program**
 - **This is a \$300 million set aside for all coastal states with eligible fishery participants affected by COVID-19**
- **State allocations were released by NOAA on May 8, 2020, and further guidance came out over the following couple of weeks**

Introduction

- **RI's allocation is \$3,267,923**
 - This is the adjusted amount that accounts for NOAA's (0.7%) and ASMFC's (0.1%) administrative costs for the allocation and distribution of the funding to the states
- **RI will receive its state share from the ASMFC**
 - RI will also charge an additional small amount for state administrative costs, minimized to the extent possible
 - Currently considering a flat amount of \$100k

Basis for the Allocation

- **Allocation was derived from readily available total annual revenue information from commercial fishing and aquaculture (68%), charter fishing (3.5%), and processor sectors (28.5%)**
 - **Working with NOAA to determine aquaculture:commercial fishing split (current estimate = 5.4:62.6 respectively)**
- **Allocation not required to be distributed based on these proportions, since number of eligible fishery participants in sectors may vary based on 35% revenue loss threshold**
 - **However, RI's initial proposal will use these allocations as starting point for discussions**

Basis for the Allocation

- These are initial estimates and will change depending on the outcome of the stakeholder process

Fishing Sector	Allocation	Amount*
Commercial Fishing	62.6%	\$1,983,120
Aquaculture	5.4%	\$171,068
Party and Charter	3.5%	\$110,877
Processors	28.5%	\$902,858

* Accounts for estimated 100k overhead for program administration by RI

Use of the Funds

- **The funds are meant to provide assistance to eligible fishery participants in the specified categories to address direct and indirect COVID-19 impacts**
- **Assistance may include direct payments, fishery-related infrastructure, and fishery-related education**
 - **Proposals to use the funds for anything other than direct payments will need to be compelling and have significant support**

Eligibility

- **Eligible fishery participants must have incurred, as a direct or indirect result of the coronavirus pandemic, economic revenue losses greater than 35% as compared to the applicable prior 5-year average (2015-2019)**
- **May include persons, businesses and/or fishing communities falling under the following categories:**
 - **Commercial fishing businesses**
 - **Charter/for-hire fishing businesses**

Eligibility

- **May include persons, businesses and/or fishing communities falling under the following categories (cont.):**
 - **Qualified aquaculture operations**
 - **Privately owned aquaculture businesses growing products in state or federal marine waters and the hatcheries that supply them (includes all molluscan shellfish and marine algae)**
 - **Not otherwise eligible for assistance under part 1416 of title 7 of CFR for losses related to COVID-19**

Eligibility

- **May include persons, businesses and/or fishing communities falling under the following categories (cont.):**
 - **Processors and dealers**
 - **Other fishery-related businesses**
 - **RI has some discretion to determine what “other fishery related businesses” are, however:**
 - **Businesses such as vessel repair, restaurants, or seafood retailers are explicitly not eligible for assistance**
 - **Marine bait and tackle operations and marine gear and vessel suppliers could be eligible, but are not included in the allocation**

Process

- **Goal statement:**

“Expediently and equitably compensate eligible fishery participants in RI for documented losses due to COVID-19 incurred during 2020 reference period, not otherwise compensated for via any other direct-payment programs.”

Process

- **RI must develop a “Spend Plan” to receive and disburse RI allocation**
- **This plan must be approved by NOAA**
- **Once approved, RI will:**
 - **Promulgate regulations consistent with the Spend Plan**
 - **Work through existing COVID 19 relief funds business processes in the state**
 - **Distribute the funds**

Process

- **Development of the RI spend plan will include a stakeholder process**
 - **Starting with this general meeting**
 - **Followed by a series of stand-alone workshops for each sector**
 - **DEM is developing an initial strawman proposal for stakeholder review**
 - **Strawman proposal is being developed by internal working group that includes staff from several DEM offices, including Marine Fisheries, Coastal Resources, Director's Office, and Legal Counsel**
 - **Internal working group is meeting regularly and will continue doing so throughout process**

Process

- **Qualifying applicants (eligible fishery participants):**
 - **Intent is to begin by identifying eligible applicants via affidavit process**
 - **Affidavit will ask each applicant to verify documented losses during the 2020 reference period**
 - **If greater than 35% compared to prior 5-year average, affidavit will ask each applicant to deduct other sources of direct COVID-19-based assistance received during 2020 reference period**
 - **Balance will constitute net loss, serve as basis of individual request**
 - **Available funds may not be sufficient to fully mitigate net losses**
 - **Intent is to rely exclusively on verifiable data sources**
 - **Open to suggestions, but data sources need to be accessible to DEM and independently verifiable**

Process

- **Payments:**
 - **For direct-payment portion of program, will need to determine how to equitably disburse funds among all eligible fishery participants in all sectors**
 - **One way could be to develop standardized categories within a sector**
 - **This may be the only viable option within some sectors**
 - **Another way could be to take a more refined approach to mitigate in a more customized way**
 - **Data dependent, may not be available for some sectors**
 - **More formulaic**
 - **Approaches could be different for different sectors**

Timeline

- **Sector-specific workshops will be scheduled within the next 1-2 weeks**
- **Spend plan development will hinge from those workshops**
- **Once spend plan is in draft final form, one or more full stakeholder meetings will be conducted to solicit final input**
 - **Final plan will then be submitted to NOAA for approval; following approval, regulatory process will commence**

Timeline

- **Regulatory route:**
 - **Emergency regulatory process is quick (can occur in about a week), but lacks the formal public comment/hearing mechanisms**
 - **While formal vetting is not required, additional workshops would be conducted**
 - **Could result in regulatory process being completed by mid summer, with payments going out by late summer/early fall**
 - **A standard regulatory process will afford a formal public participatory process but will be significantly longer**
 - **Would likely extend process and payments into late fall/early winter**

Initial Feedback Questions

- **Questions for this workshop:**
 - **Preference for regulatory process (emergency or standard)?**
 - **Do the allocations look reasonable and do you feel this is a good way split the funding up between impacted constituents?**
 - **How should we define the fishing business/entity?**
 - **If a fishing business qualifies for more than one sector, should they have to select a sector or are they eligible for all they qualify for?**
 - **Are there ideas for use of the money beyond direct payments?**
 - **Preference for the impact period (March – May; March – June)?**
 - **Should shares be equal, categorized, or prorated/customized?**