

CARES Act Fisheries Disaster Assistance Program

Party and Charter

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%)
- 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
<u>Party and Charter</u>	<u>3.5%</u>	<u>\$110,877</u>
Processors	28.5%	\$902,858

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

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)**
- **All applicants must be RI residents 18 years of age or older**

Eligibility

For-Hire:

- **Owner of a for-hire business/vessel, home ported in RI, who:**
 - **Holds a RI resident Party/Charter Boat License valid for 2020; and**
 - **Held a RI resident Party/Charter Boat license valid for 2019 and/or some combination of years between 2015 and 2019**
 - **Inclusive of individuals employed by said business during the 2020 reference period**

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 a general meeting**
 - **Followed by a series of stand-alone workshops for each sector**
 - **This is the first, specific to Party and Charter**
 - **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**

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, data sources must be accessible and verifiable**

Process

- **Qualifying applicants (eligible fishery participants):**
 - **For Hire**
 - **Affidavit will have three parts:**
 - **Part 1 – Self Certify that the owner of the for-hire business/vessel suffered at least a 35% loss in revenue from for-hire operations during the 2020 reference period**
 - **Part 2 – Quantify that the owner of the for-hire business/vessel suffered at least a 35% loss in revenue from for-hire operations during the 2020 reference period**
 - **Part 3 – Disclose the amount and source of any other direct payments (e.g., unemployment insurance, forgivable PPP loans) received**

Process

- **Application review process**
 - **RIDEM will assess each affidavit for veracity based on available data**
 - **RIDEM will tally the total net losses for all applicants within each of the four sectors**
 - **If total net losses are less than the sector allocation, RIDEM will issue direct payments for the full amount of each claim**

Process

- **Application review process**
 - **If total losses are greater than the sector allocation, RIDEM will employ one of the following approaches:**
 - **Issue pro-rated payments scaled to the amount of each claim (i.e., set percentage of each claim)**
 - **Issue payments in equal amounts, determined by dividing the sector allocation by the total number of claims**
 - **Issue payments in bins/tiers**

Data

- **Three Data Sources**
 - **2019: eTrips mobile required for all fed and state P&C**
 - **Con: perceived poor compliance and only one year**
 - **2015-2019 VTR: larger baseline of information**
 - **Con: only federal boats, some concerns with VTR reporting**
 - **2015-2019 MRIP: another independently verifiable data source for validation**
 - **Con: refusal rates cause false zeros for activity; random selection of captains and time period of sampling does not provide a complete picture of activity**
- **Only RI residents and those with homeports in RI are included**

Data

- **eTrips**

- **To estimate losses or examine history, one can examine activity metrics such as total number of trips and total number of crew used**
- **Analyses with eTrips can be done by unique Captain (i.e. not licensed vessel) to account for someone owning more than one boat**
- **A captain's relative activity to the entire fleet can be represented as a proportion and defined in different ways; two examples:**
 - **Number of trips one made in relation to the whole fleet**
 - **Number of trips x Number of crew over all trips**
- **Proportion of activity could then be multiplied by the total allotment to P&C**

Data

- **eTrips**

- **Impact Period Mar 1 – Jun 30, 2019**

- 46 captains conducted a total of 422 trips
- The average number of trips per captain during the period = 9.2 ± 8.2
- 15 captains conducted three or fewer trips during this period
- Average crew reported was 1.6 ± 1.5

- **Impact Period Mar 1 – May 31, 2019**

- 22 captains conducted a total of 102 trips
- The average number of trips per captain during the period = 4.7 ± 3.9
- 13 captains conducted three or fewer trips during this period
- Average total crew staffed by captain was 1.09 ± 0.9

Data

- **VTR**

- **With multiple years of data (2015-2019), activity parameters (i.e. trips and crew) can be averaged to remove dependency on what might be an outlier year**
- **Analyses here can be done at federal vessel permit level to account for inconsistent naming**
- **Similar to eTrips, activity can be described in similar ways, but based on five year averages. Two examples:**
 - **Avg annual trips one made in relation to the whole fleet.**
 - **Avg annual trips x Avg annual trips of crew needed**

Data

- **VTR**

- **Impact Period Mar 1 – Jun 30, 2015-2019**

- 63 permitted vessels during this period
- Over the 5 years, annual avg number of trips per permit ranged from 0.2-29.0
 - Averaged over the fleet, the number of trips was 5.8 ± 7.5
- Over the 5 years, annual avg total crew hired per permit ranged from 1-5
 - Averaged over the fleet, the number of crew hired was 1.9 ± 0.7

- **Impact Period Mar 1 – May 31, 2015-2019**

- 40 permitted vessels during this period
- Over the 5 years, annual avg number of trips per permit ranged from 0.2-10.8
 - Averaged over the fleet, the number of trips was 1.9 ± 2.7
- Over the 5 years, annual avg total crew hired per permit ranged from 1-4
 - Averaged over the fleet, the number of crew hired was 1.9 ± 0.6

Data

- **Historical Data vs. Claimed Loss**
 - These examples are to showcase different data available for use and different metrics that could be used to evaluate losses
 - Data from these sources would ideally be used to compare to history and identify losses in 2020
 - Numbers of unique captain's shown here could represent the maximum number of people who could qualify under the P&C sector
 - E.g. these total captains by impact period represent if all captains found to have a 35% loss
 - However, analyses assume all people will qualify and that their losses as they relate to the fleet are proportional to their history as it relates to the fleet

Timeline

- **Sector-specific workshops are being scheduled now**
 - **Hope to keep it to no more than two workshops per category**
- **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**

Initial Feedback Questions

- **Questions for this workshop:**
 - Preference for the impact period (March – May; March – June)?
 - Should shares be equal, categorized, or prorated/customized?
 - eTrips? VTR? Other datasets to consider?
 - Additional metrics for assessing activity or impact?
 - Should only trips be included?
 - Should total fish or # crew be included in the calculation?