CARES Act Fisheries Disaster Assistance Program
• 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
• 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

<table>
<thead>
<tr>
<th>Fishing Sector</th>
<th>Allocation</th>
<th>Amount*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Fishing</td>
<td>62.6%</td>
<td>$1,983,120</td>
</tr>
<tr>
<td>Aquaculture</td>
<td>5.4%</td>
<td>$171,068</td>
</tr>
<tr>
<td>Party and Charter</td>
<td>3.5%</td>
<td>$110,877</td>
</tr>
<tr>
<td>Processors</td>
<td>28.5%</td>
<td>$902,858</td>
</tr>
</tbody>
</table>

* 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:

“Expeditiously 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.”
• 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
• 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
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
• 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
• 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 to 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?