

# CARES Act Fisheries Disaster Assistance Program

# Introduction

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- **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

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- **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

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- **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

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- **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

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- **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

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- **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

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- **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

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- **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

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- **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

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- **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

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- **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

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- **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

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- **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

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- **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

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- **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?**