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
• 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

<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>
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<tr>
<td><strong>Party and Charter</strong></td>
<td><strong>3.5%</strong></td>
<td><strong>$110,877</strong></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
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
• 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
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
• 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
• 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
• 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
• 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
• 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
• **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
• 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
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?