



The Commonwealth of Massachusetts

Division of Marine Fisheries

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CARES Relief Commercial Working Group Meeting Summary #2 June 17th, 2020

Industry Members: John Pappalardo (Cape Cod Commercial Fishermen's Alliance); Ed Barrett (Massachusetts Fishing Partnership); Dan Orchard (Massachusetts Fishing Partnership Support Services); Beth Casoni (Massachusetts Lobstermen's Association); Ed Washburn (Port of New Bedford); Jackie Odell (Northeast Seafood Coalition); Drew Minkiewicz (Fisheries Survival Fund); Ron Bergstrom (Chatham wild shellfish fisherman); Albert Cottone (Gloucester Fisheries Commission).

DMF Staff Present: Daniel McKiernan, Director, Jared Silva, Co-Chair; Melanie Griffin, Co-Chair; Kevin Creighton; Stephanie Cunningham; Story Reed; Jeff Kennedy; Tom Shields, Kelly Whitmore; Maren Budrow; Julia Kaplan.

Decision Summary from Meeting #1

DMF and the Working Group reviewed consensus positions reached at the first working group meeting. With regards to federal criteria, the working group agreed that all applicants would have to be a MA resident, 2020 MA commercial fisherman permit holder, and be 18 years of age by the end of the eligibility period. Additionally, attestations could be used to meet federal mandates that applicants can demonstrate a 35% revenue loss due to the pandemic compared to 2015 – 2019, that they are not made more than whole through aggregate totals of relief funding; and that they do not have any outstanding federal violations. The Working Group also reached consensus on certain discretionary eligibility criteria. This included using 2017 – 2019 SAFIS dealer data to demonstrate landings during a to be determined eligibility period and having at least \$15,000 in annualized revenues during their best calendar year within that period.

DMF produced a tiering approach to spending, where payments would be scaled based on annualized revenue - as derived from SAFIS dealer data - from best calendar year from 2017 – 2019. Permit holders would be filtered based on the above described eligibility criteria, then the remaining permit holders would be tiered into equal quartiles of permit holders. Individual payments would then be calculated based on the tiering (Tier 1 = 1 share, Tier 2 = 2 shares, Tier 3 = 3 shares, and Tier 4 = 4 shares). This approach was supported, however, the Working Group requested DMF attempt to narrow the revenue windows in Tiers 3 and 4. It is noteworthy, that the Working Group did not support tiering down payments based on receiving other aid or capping payments to a single entity, ut supported allowing entities to receive funding from CARES relief programs from other sectors, if eligible.

Metrics and Tiering Approach

DMF updated its initial data query to include federal surf clam and ocean quahog landings and address remnant permitting and data collection issues. Based on this updated analysis, DMF presented three spending approaches. Option 1 was the initial preferred approach just updated with the new data. Option 2 divided Tiers 3 and 4 in Option 1 into two additional equal tiers of permit holders resulting in six total tiers. Payouts would proceed proportionally based on tiering. Option 3 similarly divided Tiers 3 and 4 into two additional equal tiers resulting in three tiers, however, payouts for Tiers 4-6 would only pay out at 50% the previous tier.

The Working Group came to a consensus to support Option 2 (Fig. 1). This option was preferred because it reduced the revenue windows at the higher level tiers,

Fig. 1 Approved Spending Approach

attempted to balance relative loss to absolute loss through providing proportionally larger payouts at lower tiers but having payments increase moving up the tiers, and had the most constrained range of median values of the estimated payments versus revenue.

Min of \$15K, 4 + 2 ADD'L TIERS; TOTAL SHARES: 4,967				Estimated Payment PER PERMIT			
TIER	# Permits	Min of DOLLARS	Max of DOLLARS	Paid per Permit	% of min	% of max	% MEDIAN
0	2163	\$0	\$15,000	\$0	0.00%	0.00%	0.00%
1	413	\$15,000	\$31,050	\$2,381	15.88%	7.67%	10.34%
2	414	\$31,050	\$70,500	\$4,763	15.34%	6.76%	9.38%
3	207	\$70,500	\$119,000	\$7,144	10.13%	6.00%	7.54%
4	207	\$119,000	\$217,275	\$9,526	8.00%	4.38%	5.67%
5	207	\$217,275	\$521,500	\$11,907	5.48%	2.28%	3.22%
6	207	\$521,500	\$8,100,000	\$14,288	2.74%	0.18%	0.33%

Next Steps

DMF will develop a spending plan for the commercial sector using the agreed upon qualifying criteria and spending approach. This spending plan will be reviewed by the Advisory Panel and sent to NOAA Fisheries for approval.