

CARES Act Relief Commercial Fishing Working Group

Working Group

- Jared Silva, DMF
- Melanie Griffin, DMF
- John Pappalardo, Cape Cod Commercial Fisherman's Alliance*
- Ed Barret, MA Fishing Partnership*
- Dan Orchard, MA Fishing Partnership Support Services*
- Beth Casoni, Executive Director, MA Lobsterman's Association*
- George Krikorian, Interim Executive Director/Director of Finance , New Bedford Port Authority*
- Drew Minkiewicz, Fisheries Survival Fund
- Jackie Odell, Executive Director, Northeast Seafood Coalition
- Albert Cottone, Executive Director, Gloucester Fisheries Commission
- Ron Bergstrom, Chatham wild shellfish fisherman
- Shelley Edmundson, Executive Director, Martha's Vineyard Fisherman's Preservation Trust

* Also a member of larger industry advisory panel

Goal

- Recap "Round 1" CARES Program.
- Advise larger advisory panel and DMF on sector-specific spending plan for "Round 2" CARES.

Logistics

- Meeting via Zoom.
- Meeting will be recorded.
- Please mute when you aren't talking.
- Use "raise hand" feature.



COVID-19 Fisheries Relief

CARES Act and the Consolidated Appropriations Act of 2021

Round 1 CARES (2020)

- \$300 Million to Support U.S. Fishermen & Seafood Industry negatively impacted by COVID-19 (minimum 35% economic loss compared to prior 5-year average).
- NOAA Fisheries used multi-year revenue estimate averages of “fishery participants” to determine state allocations.
- Massachusetts distributed approximately \$27.8 Million to four sectors based on revenue proportions modified to better reflect state needs (increased aquaculture & Commercial Fishing %).

Round 2 CARES (2021)

- \$255 Million for U.S. fishermen & seafood industry (same eligibility threshold).
- Massachusetts to receive roughly \$23 Million.
- Sector allocations to be determined.

Round 1 CARES Funding Allocation by Sector

Sector	Amount Paid	Percent
Seafood Processors	\$13,779,788	49.60%
Commercial Fishermen	\$11,835,178	42.60%
Aquaculturists	\$1,153,588	4.15%
Commercial Fishing Vessels	\$999,996	3.60%



MA Round 1 CARES Act Program Recap

Commercial Fishing Sector

General Eligibility Criteria

- Must have held a 2020 Massachusetts Commercial Fishing permit as of July 31, 2020.
- Must have suffered 35% revenue loss during March 10 to July 31, 2020, as compared to the prior 5-year average due to the effects of COVID-19.
- Must have had landings during the period of March 10 to July 31 in any year from 2017 to 2019.
- Must have made \$15,000 minimum in wild harvest ex-vessel income in any calendar year from 2017 to 2019.
- Must have been 18 years of age or older at time of application.
- Must have been in good standing with the State and Federal Government.
- Must have been a Massachusetts resident and not receiving CARES Act fisheries relief from another state. Non-residents who do not hold commercial fishing permits in other states were considered for eligibility.
- Assistance from this and other federal relief must not make the applicant “more than whole” (i.e., have a 2020 annual revenue greater than their prior 5-year average revenue).



MA Round 1 CARES Act Program Recap

Commercial Fishing Sector

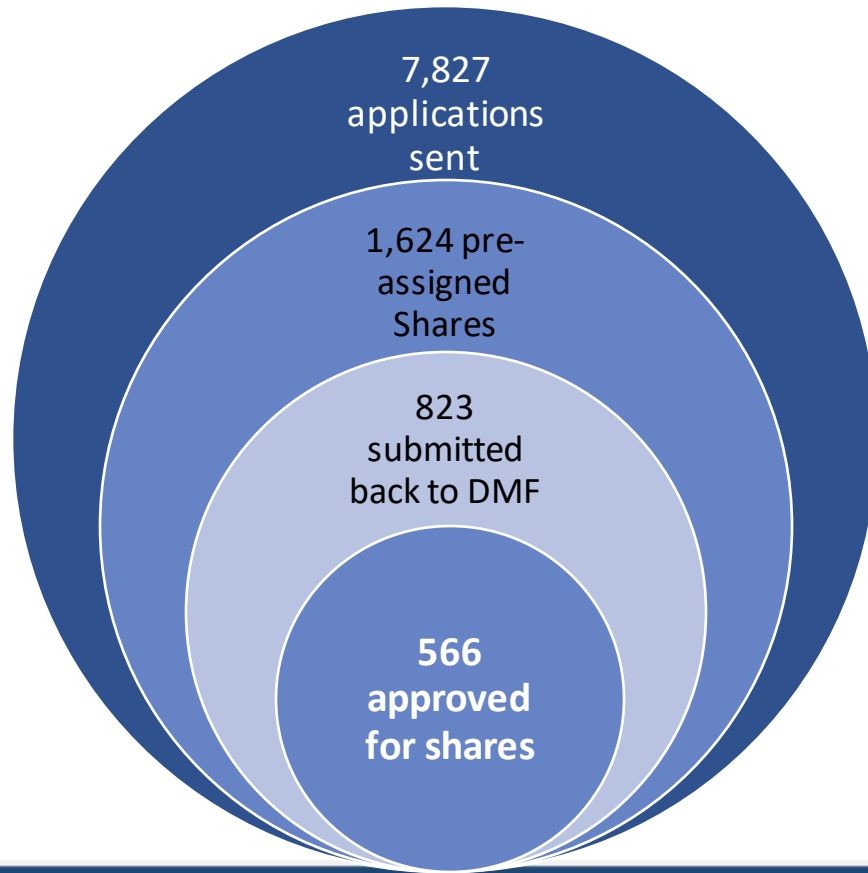
Round 1 Tiering System based on Maximum 2017-2019 Single-Year Landings Value as reported by Primary Buyers(s)

Tier	Best Year's Revenue	Share
0	<\$15,000	0x
1	\$15,000 - \$31,341	1x
2	>\$31,341 - \$69,997	2x
3	>\$69,997 - \$116,326	3x
4	>\$116,326 - \$221,929	4x
5	>\$221,929 - \$583,832	5x
6	>\$583,832	6x



MA Round 1 CARES Act Program Recap

Commercial Fishing Sector

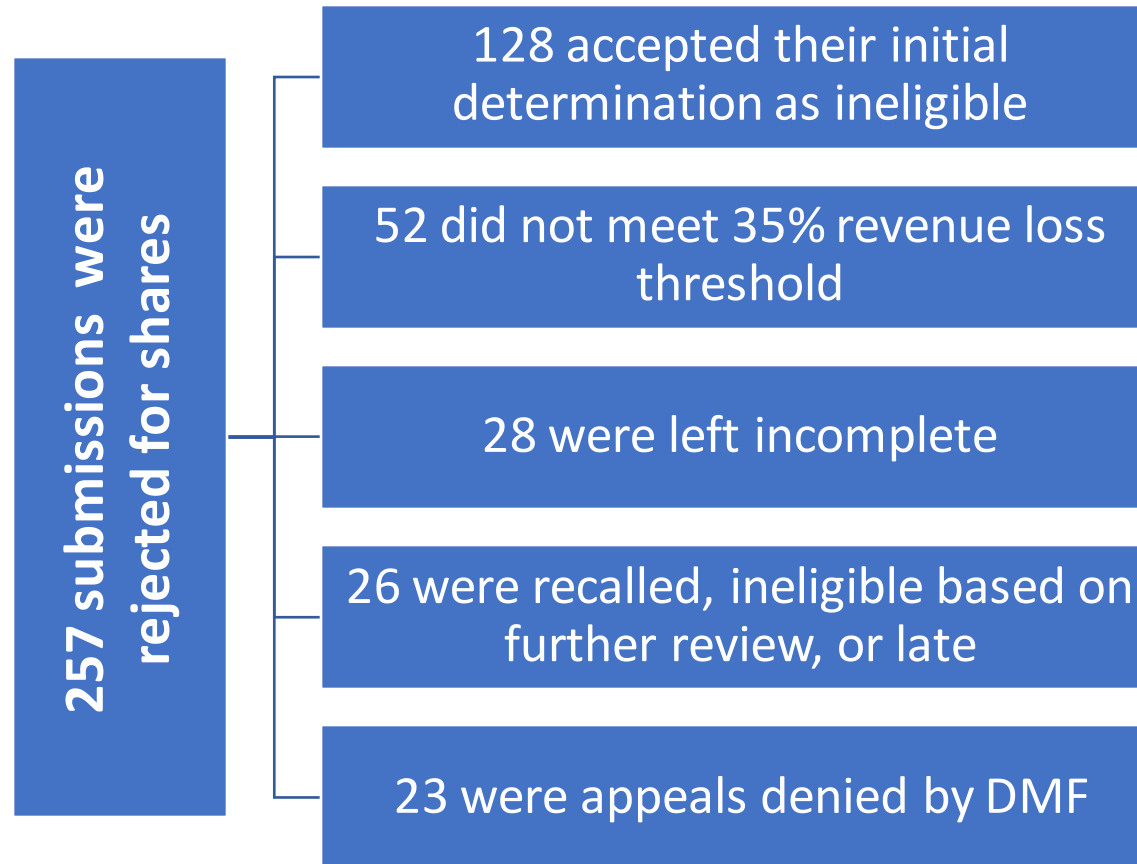


- DMF sent applications to all holders of 2020 MA Commercial Fishing permit as of July 31
- 566 applications were approved for shares:
 - 539 accepted their initial determination of eligible.
 - 27 were appeals accepted by DMF.



MA Round 1 CARES Act Program Recap

Commercial Fishing Sector



MA Round 1 CARES Act Program Recap

Commercial Fishing Sector

Round 1 Payments Distributed

Tier	Share	No. of Recipients	Payment
1	1x	92	\$6,359.58
2	2x	133	\$12,719.16
3	3x	86	\$19,078.74
4	4x	103	\$25,438.32
5	5x	81	\$31,797.90
6	6x	71	\$38,157.48



Massachusetts' Supplemental CARES Act Fisheries Relief (Round 2)

Massachusetts has been allocated \$23 Million for supplemental relief

STILL REQUIRED by NOAA Fisheries

- Must have suffered 35% revenue loss due to COVID during a set time period in 2020, as compared to average revenue from 2015 to 2019.
- Cannot be “made more than whole” – 2020 revenue plus any COVID-related relief (PPP or EIDL grants, supplemental COVID-19 unemployment relief of \$600/week, or other COVID-19 fisheries relief including USDA) cannot be greater than your traditional annual revenue.
- Must be 18 years of age or older at time of application.
- Must be in good standing with the State and Federal Government.

Massachusetts Division
of Marine Fisheries



Massachusetts' Supplemental CARES Act Fisheries Relief (Round 2)

Massachusetts has been allocated \$23 Million for supplemental relief

CONSIDERATIONS

- Time period for 35% loss calculation – must be compared to 2020.
 - Round 1 used March 10 to July 31, 2020.
- What scale of payments would be too large and make most businesses “more than whole”?



MA Round 2 CARES Act Relief

DRAFT ONLY

Made “more than whole”: 2020 traditional Commercial Fishing revenue plus any COVID-related relief (PPP or EIDL grants, supplemental COVID-19 unemployment relief (i.e, \$600/week), or other COVID-19 fisheries relief) cannot be greater than your traditional annual Commercial Fishing revenue.

How to Calculate

Traditional Annual Commercial Fishing Revenue AVERAGE 2015-2019 = AVG

Commercial Fishing REVENUE as reported on 2020 Tax Return = R

Round 1 CARES Act Relief Payment = C

supplemental COVID-19 UNEMPLOYMENT relief i.e., \$600/week * # of weeks = U

Sum of COVID related GRANTS (PPP or EIDL) = G

OTHER COVID-19 fisheries relief = Ot

MAXIMUM Round 2 CARES Act Relief Payment = MAX

Formula

$$\text{AVG} - (\text{R} + \text{C} + \text{U} + \text{G} + \text{Ot}) = \text{MAX}$$



MA Round 2 CARES Act Relief

DRAFT ONLY

Recommendation for Round 2 Initial Allocations and Payments

Sector	Approved Round 1	Round 2 Recommendation	Basis for Round 2
Seafood Processors	\$13,779,789	\$10,334,842	75% of Round 1
Commercial Fishing	\$11,828,404	\$8,871,303	
Aquaculturists	\$1,152,652	\$864,489	
For-Hire Vessels	\$1,000,000	\$750,000	
Set Aside for sector(s)		\$2,300,000	10% of state allocation
Total Budget	\$27,780,506	\$23,175,000	

- Establish “shares” for each sector tier as in Round 1.
- Pay each eligible applicant their determined tier or the MAX value if "made more than whole".
- Distribute set aside to each sector based on need.

