

# CARES Act Relief For-hire Fishing Working Group

## Workgroup

- Mike Armstrong, DMF
- Nichola Meserve, DMF
- Mike Pierdinock, F/V Perseverance – New Bedford – Charter \*
- Willy Hatch, F/V Machacha – Falmouth – Charter
- Don Cianciolo, F/V Laura-Jay – Sandwich – Charter
- Tim Brady, F/V Mary Elizabeth – Plymouth – Head Boat
- Joe Huckemeyer, Helen H Fleet – Hyannis – Head Boat \*
- Chris Charos, Captain’s Fishing Parties – Newburyport – Head Boat

\* 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 & for-hire %).

### Round 2 CARES (2021)

- \$255 Million for U.S. fishermen & seafood industry.
- Massachusetts to receive roughly \$23 Million (~18% less).
- 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%
For-Hire Vessels	\$999,996	3.60%



# MA Round 1 CARES Act For-Hire Sector Recap

## General Eligibility Criteria

- Must have held a 2020 Massachusetts Charter Boat or Head Boat permit as of June 1, 2020.
- Must have held a 2019 Massachusetts Charter Boat or Head Boat permit.
- Must have met a threshold of for-hire fishing trips in either 2018 or 2019.
- Must have suffered 35% revenue loss during March 1–June 30, 2020 compared to the prior 5-year average due to the effects of COVID-19.
- 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 be receiving CARES Act Sec. 12005 for-hire fishing aid from another state. A non-resident who did not hold a for-hire permit from another state may have qualified.
- 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 For-Hire Sector Recap

## Head Boat Program (\$416,000)

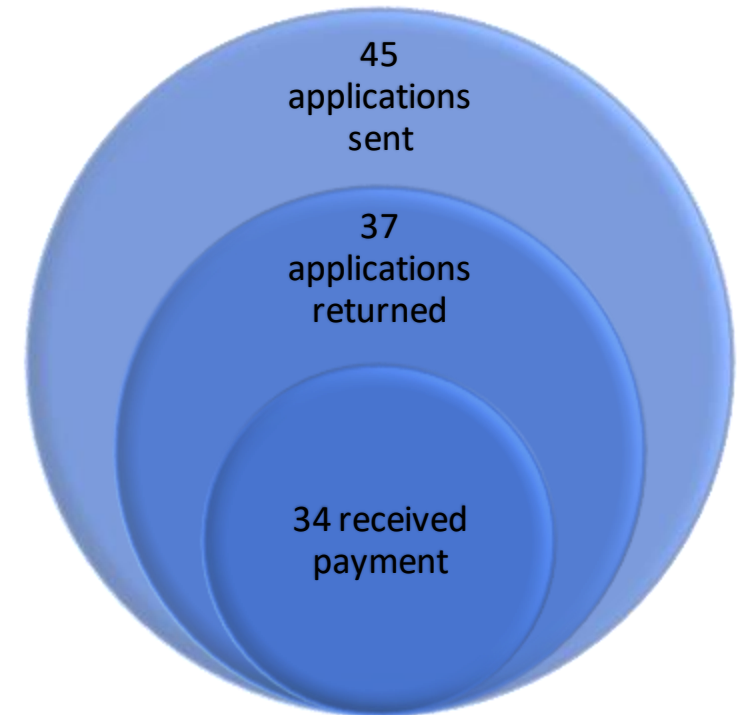
### Round 1 Head Boat Binning: Tiering & Shares

Vessel Size	Activity Level in For-hire Fishing		
	Ineligible ( $< 10$ trips)	Limited ( $10$ to $\leq 40$ )	Active ( $41+$ )
Small ( $\leq 40'$ )	0	0.0625	0.25
Medium ( $41'$ to $\leq 65'$ )	0	0.15625	0.625
Large ( $66'+$ )	0	0.25	1



# MA Round 1 CARES Act For-Hire Sector Recap Head Boat Program (\$416,000)

- Applications sent: 45
  - 32 eligible by initial determination
  - 13 ineligible by initial determination
- Total returned applications: 37
  - 24 accepted initial determination; 23 eligible
  - 13 appealed initial determination
- Appeals accepted by DMF: 11
  - 4 became eligible, 7 changed tier
- Applications receiving payment: 34
- Applications not returned: 8; 1 eligible by initial determination
- Appeals denied by DMF: 2
- No one returned an application that indicated they had not met the revenue loss threshold



# MA Round 1 CARES Act For-Hire Sector Recap

## Head Boat Program (\$416,000)

### Round 1 Head Boat Binning: Recipient Count & Payment Amount

Vessel Size	Activity Level in For-hire Fishing		
	Ineligible ( $< 10$ trips)	Limited ( $10$ to $\leq 41$ )	Active ( $41+$ )
Small ( $\leq 40'$ )	n=5 \$0	n=2 \$1,432	n=4 \$5,728
Medium ( $41'$ to $\leq 65'$ )	n=2 \$0	n=5 \$3,580	n=14 \$14,320
Large ( $66'+$ )	n=4 \$0	n=2 \$5,728	n=7 \$22,912



# MA Round 1 CARES Act For-Hire Sector Recap

## Head Boat Program (\$416,000)

### Round 1 Head Boat Payments Distributed

Tier	Share	Recipients	Payment
Limited/Small	0.0625	2	\$1,432
Limited/Medium	0.15625	5	\$3,580
Limited/Large & Active/Small	0.25	6	\$5,728
Active/Medium	0.625	14	\$14,320
Active/Large	1	7	\$22,912

- The average loss reported by funded applicants was **\$67,850.00**.
  - *Losses from March 1 to June 30, 2020, as compared to the prior five-year average.*
- On average, payments distributed made up 18% of the reported losses.



# MA Round 1 CARES Act For-Hire Sector Recap

## Charter Boat Program (\$584,000)

### Round 1 Charter Boat Binning: Tiering & Shares

Vessel Size	Activity Level in For-hire Fishing	
	Ineligible ( $< 50$ trips)	Active ( $\geq 50$ trips)
	Small ( $< 28'$ )	0
Large ( $\geq 28'$ )	0	1

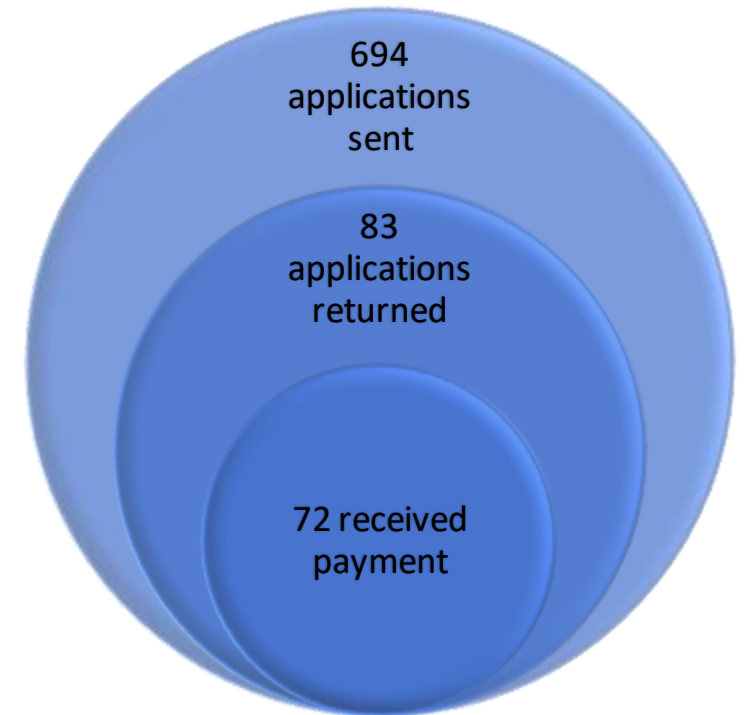




# MA Round 1 CARES Act For-Hire Sector Recap

## Charter Boat Program (\$584,000)

- Applications sent: 694
  - 177 eligible by initial determination; 15 by VTR data
  - 517 ineligible by initial determination
- Total returned applications: 83
  - 68 accepted their initial determination; 64 eligible
  - 9 appealed their initial determination
  - 5 were late or withdrawn
  - 1 did not meet the revenue loss threshold
- Appeals accepted by DMF: 8
  - 6 became eligible, 2 changed tier
- Applications receiving payment: 72
  - 12 by VTR and 60 by tax records for activity level verification
- Applications not returned: 611; 108 eligible by initial determination
- Appeals denied by DMF: 1



# MA Round 1 CARES Act For-Hire Sector Recap

## Charter Boat Program (\$584,000)

### Round 1 Charter Boat Binning: Recipient Count & Payment Amount

Vessel Size	Activity Level in For-hire Fishing	
	Ineligible ( $< 50$ trips)	Active ( $\geq 50$ trips)
	Small ( $< 28'$ )	n=326 \$0
Large ( $\geq 28'$ )	n=296 \$0	n = 53 \$9,344



# MA Round 1 CARES Act For-Hire Sector Recap

## Charter Boat Program (\$584,000)

### Round 1 Charter Boat Payments Distributed

Tier	Share	Recipients	Payment
Active/Small	0.5	19	\$4,672
Active/Large	1	53	\$9,344

- The average loss reported by funded applicants was **\$16,074.00**.
  - *Losses from March 1 to June 30, 2020, as compared to the prior five-year average.*
- On average, payments distributed made up 50% of the reported losses.



# MA Round 2 CARES Act Relief

Massachusetts has been allocated \$23 Million for supplemental relief.

## Still REQUIRED by NOAA Fisheries

- Must have suffered 35% revenue loss due to COVID in 2020, as compared to average revenue 2015-2019.
- Cannot be “made more than whole.”
- Must be 18 years of age or older at time of application.
- Must be in good standing with the State and Federal Government.



# MA Round 2 CARES Act Relief

## FOR-HIRE SECTOR CONSIDERATIONS

- Time period for 35% loss calculation. Must be compared to 2020.
  - Round 1 used March 1–June 30, 2020.
- Minimum trip threshold
  - For Head Boats, Round 1 required 10-40 annual trips to be limited activity, 41+ to be active.
    - Initial assignments based on VTR, permit renewal reported trips, and staff knowledge. Review of logbooks to appeal activity designation.
  - For Charter Boats, Round 1 required at least 50 fishing trips to be active.
    - Initial assignments based on VTR and permit renewal reported trips. Unless eligible by VTR, review of tax return used to verify or appeal activity designation.
  - What scale of payments would be too large and make most businesses “more than whole”?
- Within sector allocation to head boats and charter boats?



# MA Round 2 CARES Act Relief

DRAFT ONLY

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

## How to Calculate

Traditional Annual For-Hire Revenue AVERAGE 2015-2019 = AVG

For-Hire REVENUE as reported on 2020 Tax Return = R

Round 1 CARES Act Relief Payment = C

Supplemental COVID-19 UNEMPLOYMENT relief of \$600/week = 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

$$AVG - (R+C+U+G+Ot) = MAX$$



# MA Round 2 CARES Act Relief

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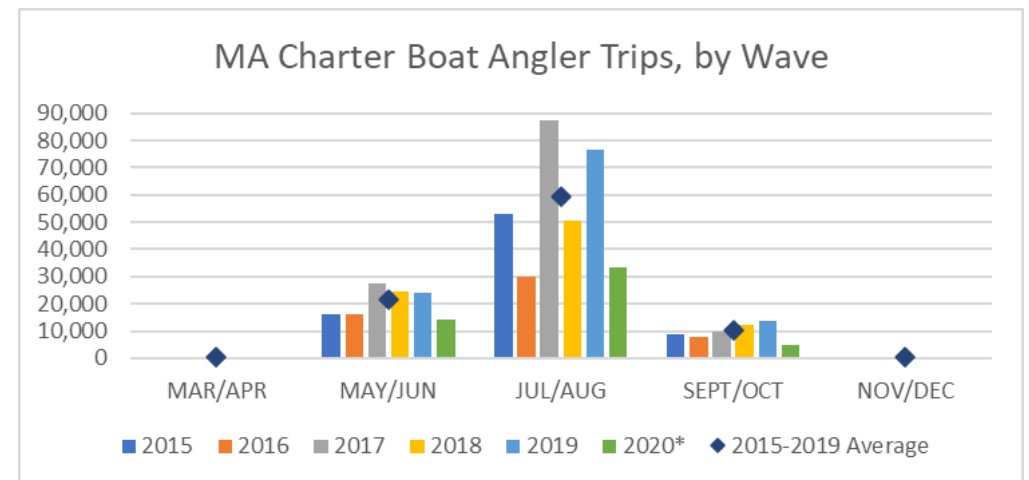
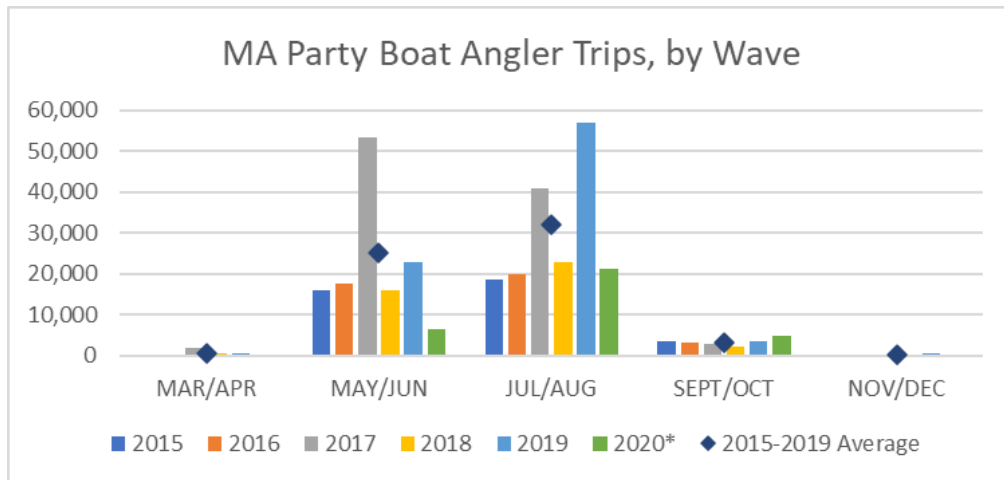
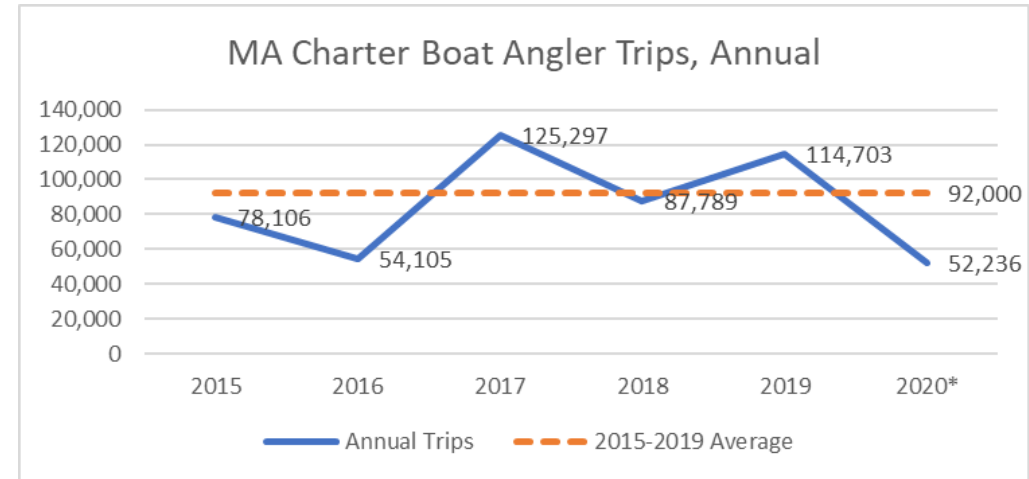
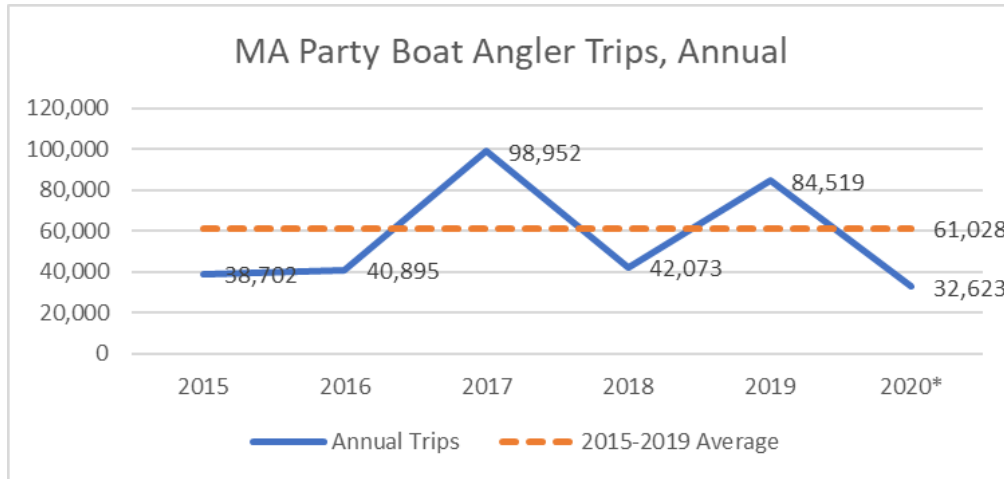
## Potential Round 2 Allocations

	Approved Round 1	Potential Round 2	Basis for Round 2 Recommendation
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	
Administration & Tribal	\$19,661	\$54,366	Reflect Actual Round 1 Admin. Costs
Set Aside for Sector(s)		\$2,300,000	10% of State Allocation*
Total Budget	\$27,780,506	\$23,175,000	

\* Set aside distributed to sectors based on greatest need as identified through submitted application data.



# 2020 Impacts: MRIP Effort Data



\* 2020 data are preliminary

Massachusetts Division  
of Marine Fisheries

