

Project and Budget Narrative

**Consolidated Appropriations Act of 2021
Funding in Support of Activities Previously Authorized under
Sec. 12005 of the Coronavirus Aid, Relief, and Economic Security Act**

Massachusetts' CARES Act Round 2 Spending Plan for Fisheries Relief



Consolidated Appropriations Act of 2021 Funding for Activities Authorized under Section 12005 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act

Organization: Massachusetts Division of Marine Fisheries (MA DMF)

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Project Title: Massachusetts CARES Act Round 2 Spending Plan for Fisheries Relief

Project Objective: Disburse Massachusetts' allocation of federal fisheries relief provided through the Consolidated Appropriations Act of 2021 to eligible Massachusetts fishery participants negatively affected by the COVID-19 pandemic.

Project Period: This project will begin as soon as funds become available for disbursement, as agreed upon by the Atlantic States Marine Fisheries Commission (ASMFC); through funds exhaustion, a date no later than September 30, 2021.

Project Summary: MA DMF proposes to disburse approximately \$23.3 million in federal fisheries relief to eligible Massachusetts fishery participants in the form of direct payments. Funding for this program was allocated by the Consolidated Appropriations Act of 2021 to support activities previously authorized under Section 12005 of the CARES Act.

Through the original funding provided in the CARES Act ("Round 1"), MA DMF disbursed \$27.8 million to eligible fishery participants during a program that ran from June to November of 2020. MA DMF proposes to manage this additional funding for fisheries relief as made available through the Consolidated Appropriations Act of 2021 ("Round 2") using an approach similar to that of Round 1, which allowed Massachusetts to quickly and effectively distribute relief to fishery participants.

Fishery participants will be categorized into four groups (sectors): seafood processing, commercial fishing, aquaculture, and for-hire (head/charter boat) fishing. Recognized tribes were considered in Round 1 funding. However, Congress appropriated \$30 million specifically for federally recognized Tribes in any of the Nation's coastal States and territories in the 2021 Consolidated

Appropriations Act. As these funds are available to the Tribes under a separate grant, the MA program will not include direct payments to Tribes in Round 2. Eligible participants must have suffered greater than a 35% economic revenue loss related to the COVID-19 pandemic. MA DMF will contact permit holders to inform them of their potential eligibility for this aid and, based on the number of eligible applicants, make direct payments within each of the four sectors based on tiering schemes.

Project Budget: \$23,314,378

Date Submitted: June 9, 2021 (Amended June 25, 2021)

PROJECT DESCRIPTION

Background

The federal government provided \$255 million in disaster relief through the Consolidated Appropriations Act of 2021 for those seafood and fishing industry sectors negatively affected by the COVID-19 pandemic. This additional funding was made available for the activities previously authorized under Sec. 12005 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The purpose of this follow-on program is to provide additional economic relief to seafood and fishing industries impacted by the COVID-19 pandemic.

NOAA Fisheries allocated \$23.3 million of this funding to the Commonwealth of Massachusetts based on past reported revenues within the Massachusetts' fishing industry. The Massachusetts Division of Marine Fisheries (MA DMF) has been tasked with distributing these relief funds to four identified fishing sectors in need of relief: seafood processing, commercial fishing, aquaculture, and for-hire (head and charter boat) fishing.

The COVID-19 pandemic brought considerable losses to the fishing sectors designated under the MA DMF CARES Act relief program. In the spring of 2020, restaurants were closed for in-person dining, severely impacting the demand for seafood. Social distancing guidelines also closed for-hire fishing activities and decreased productivity at seafood processing facilities. Over \$50 million in total losses in ex-vessel value were documented in Massachusetts during the months of March through May 2020, as compared to the average from the previous five years. As Massachusetts began to ease COVID-19 restrictions in June 2020, some businesses and fisheries began to recover from the losses incurred in the spring, but the effects of the pandemic were still seen across all sectors. Total ex-vessel seafood value from March to December 2020 was 12% lower than the average of the past five years. The most significant losses were seen in oyster revenue, which faced a 67% loss from March to May 2020 and a 40% loss from March to December 2020, as compared to the previous five years' average.

Although the pandemic's financial impacts vary across sectors and individual businesses, this crisis undoubtedly brought unique challenges to every fishing industry participant in Massachusetts. The Round 1 CARES Act Fisheries Relief was sorely needed by Massachusetts' fishery groups and was regarded by many as a lifeline for their struggling businesses. While data gathered by the MA DMF Statistics Program suggest that some fisheries have been able to recover from the most severe losses seen during the pandemic, Round 2 of the program will continue to provide critical financial relief to those facing economic hardships.

Under federal guidelines, only those businesses that suffered greater than a 35% economic revenue loss caused by COVID-19 relative to a previous five-year period will qualify for these funds. Additionally, recipients may not be made "more than whole"; this will be evaluated based on a comparison of 2020 revenue to the average annual revenue earned during the previous five years. Further, the determination of "more than whole" will consider traditional revenue, funding provided through Rounds 1 and 2 of this program, and other forms of pandemic-related aid. Non-residents who participate in Massachusetts' seafood economy should be eligible for relief in their home state. However, if a non-resident MA permit holder resides in a state that did not receive CARES Act Section 12005 assistance, they will be considered for inclusion in the MA program provided all other requirements are met. For non-resident permit holders that would otherwise not be recognized in their home state for inclusion in their program (i.e., for-hire permit

holders with a for-hire permit only in MA) it is appropriate to include these unique non-resident applicants as potential recipients for this aid allocated to Massachusetts.

MA DMF will work with the Atlantic States Marine Fisheries Commission (ASMFC) to execute the distribution of funds and 1099 forms.

Project Goals and Objectives

Goals:

MA DMF intends to completely disburse Massachusetts' allocation of federal Round 2 CARES Act fisheries relief to eligible Massachusetts fishery participants negatively affected by the COVID-19 pandemic no later than September 30, 2021.

Objectives:

- Use working groups to determine parameters for funds distribution (spending plan) within four sectors: seafood processing, commercial fishing, aquaculture, and for-hire fishing.
- Notify all permit holders of their potential eligibility based on available statistics, industry input, federal guidelines, and their Round 1 application responses.
- Review all initial and appellate applications for eligibility before determining a sum amount direct payment to each eligible recipient within a fisheries sector.
- Report all amounts to the ASMFC for final funds distribution.

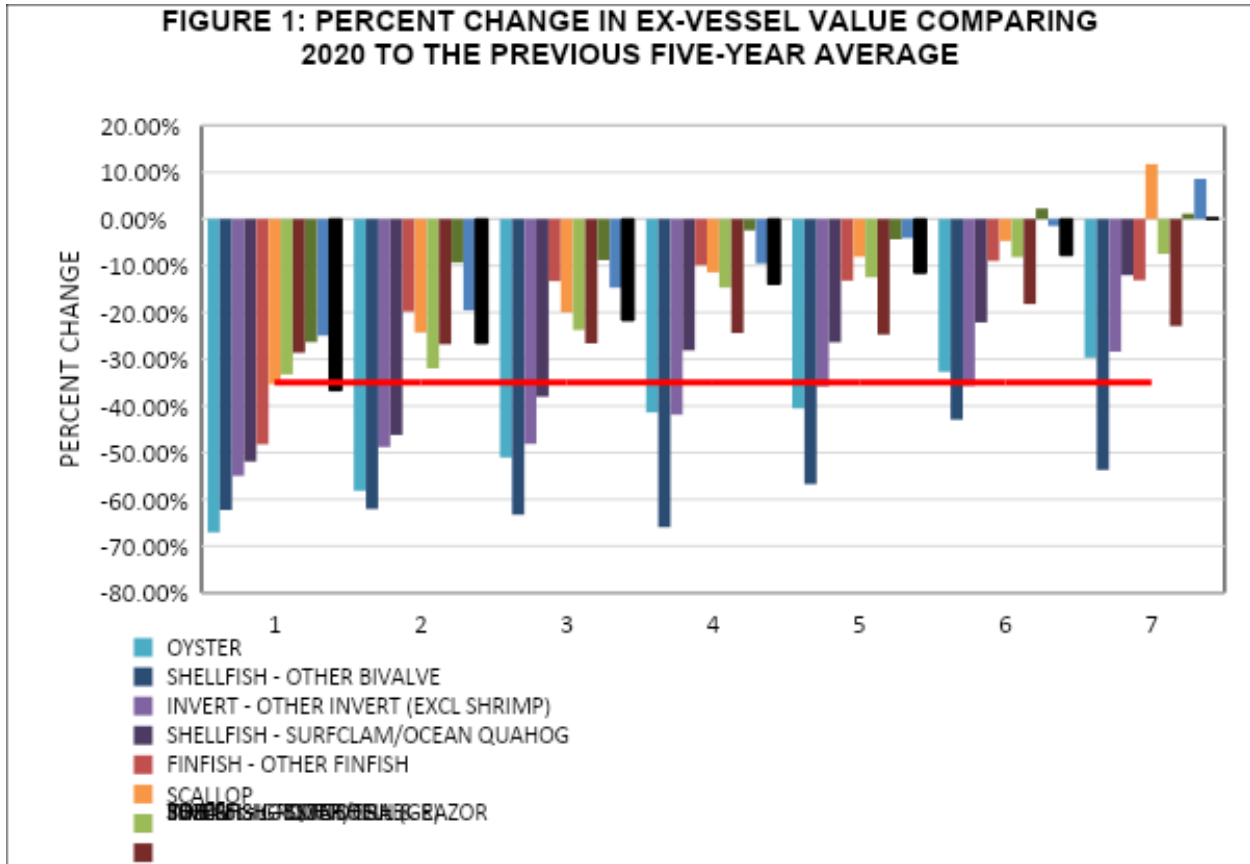
STATEMENT OF WORK

Approach

MA DMF proposes to manage Round 2 of the CARES Act fisheries relief program using many of the same strategies that led to the successful implementation of Round 1. On July 29, 2020, Massachusetts received notification that NOAA Fisheries' grants management division approved the Massachusetts spending plan for CARES Act fisheries relief. By November 10, 2020, with the mailing of payments for the commercial fishing sector, Massachusetts became the first state to completely disburse their allocation under this program. For Round 2, MA DMF will use the proven program structure established during Round 1 while also incorporating data gathered from the first batch of applications to better streamline the application process and inform program management.

In April 2021, MA DMF held meetings with the four sector working groups (seafood processing, commercial fishing, aquaculture, and for-hire fishing) that were established for CARES Round 1 to initiate the Round 2 program. Working group members were sector participants representing a diversity of business characteristics and geographies across the Massachusetts coast. The working groups reviewed decisions made in structuring each sector's eligibility criteria and payment scaling methods and discussed what changes to the program would comply with Sec. 12005 of the CARES Act and associated federal regulations. All four working groups were in favor of using the general Round 1 program structure for Round 2, but supported slight modifications with the aim of allowing more sector participants to potentially qualify for relief funds.

Working group members supported adding a second time period to use for the revenue loss calculation. In order to include as many participants in the program as possible, MA DMF compared ex-vessel landings data from different time periods to identify those that saw the greatest total losses in the commercial fishing, aquaculture, and seafood processing sectors. The comparison of losses among species groups during various 2020 periods is available in Figure 1 below. Additional information on loss in the for-hire sector was gathered during the for-hire sector working group meeting.



Using the best information available, it was determined that the greatest loss in the seafood processing and commercial fishing sectors occurred early in the pandemic. As such, it was recommended that a second time period for loss consideration should only go through the month of May. Loss in the for-hire and aquaculture sectors continued at a high rate through the end of the year, and it was recommended that a second time period for loss consideration be extended to the end of the calendar year for these sectors. Using this approach will increase the total number of potential eligible applicants for participation in this program.

TABLE 1: TIMEFRAMES FOR REVENUE LOSS COMPARISON BY SECTOR

SECTOR	TIMEFRAME 1	TIMEFRAME 2
Seafood Processor	March 10 to June 30	March 10 to May 31
Commercial Fishing	March 10 to July 31	March 10 to May 31
Aquaculture	March 15 to June 30	March 15 to October 31
For-Hire	March 1 to June 30	March 1 to December 31

After the working group meetings were held, MA DMF convened an industry-based advisory panel, with representatives from the affected fishing sectors, to finalize the program approach. This process resulted in sector-specific spending plans intended to be as inclusive as possible for those participants whose income is dependent on Massachusetts fisheries. Below is a detailed plan to distribute funding for each identified sector. The methodology in the following Detailed Spend Plan largely follows that reviewed and approved by NOAA for Round 1 of the CARES Act Fisheries Relief program.

Proposed Spending Plans (by Sector)

Through the Consolidated Appropriations Act of 2021 and the related CARES Act stipulations, MA DMF intends to disburse \$23,265,012 in fisheries relief via direct payments to eligible Massachusetts fishery participants. All recipients shall be valid 2020 permit holders with one or more of the following permits: commercial fishing, wholesale dealer, aquaculture/propagation, and for-hire (charter or head boat) fishing. MA DMF requests that ASMFC handle all suggested payments to identified recipients.

MA DMF allocated Round 1 funds to each sector based on the revenue percentages identified by NOAA, with a few modifications to increase the allocation to for-hire fishing and aquaculture, which were expected to be the most severely impacted by the pandemic. Round 2 sector allocations will begin at 75% of the Round 1 allocation. Some Massachusetts businesses derive their fisheries-related income from multiple sectors, and, as such, those businesses are allowed to apply in each qualifying sector, provided they can clearly differentiate the qualifying revenue attributed to each sector.

MA DMF will mail applications to all Massachusetts permit holders for Round 2 CARES Act fisheries relief. Each application will identify the sector(s) under which they may be eligible, and indicate whether the permit holder, based on each sector's specific eligibility criteria, meets the minimum thresholds to receive this aid. Because all Round 1 recipients have attested that they meet the eligibility criteria, including the greater than 35% revenue loss requirement, they will be pre-qualified to receive the same number of shares as in Round 1 and will not be required to re-calculate their revenue loss over either of the periods specified by MA DMF.

If the permit holder does not agree with their eligibility determination or would like to modify their status as provided from Round 1, they can use the appeals process to provide additional documentation to be considered for direct relief payment. Appeals are further detailed in the sector specific sections of this document. MA DMF will review all initial and appellate applications prior to funds distribution to ensure all applicants have been considered prior to exhaustion of funds. Detailed below are spending plans, eligibility criteria, and appeals process for each sector.

All identified recipients, for all sectors, must meet the following minimum criteria:

- Self-certify that they have suffered greater than a 35% revenue loss caused by COVID-19 relative to a previous five-year period.
 - Five-year averages must be calculated using 2015–2019.
 - Every eligible applicant must have been an active participant in their sector for a minimum of one year. If a business was formed in 2015 or later and does not have a full five-year permit history, the non-permitted years can be excluded. In this case, the applicant must provide clarification of the average used to calculate eligibility in the "Revenue Loss" section of their application.
 - Applicants may exclude up to one year from the timeframe used for the revenue loss comparison if they experienced medical hardships or significant vessel repairs beyond the scope of routine maintenance during the revenue loss qualification period. In this case, applicants must provide clarification in the "Revenue Loss" section and submit documentation of the event with their application. MA DMF will verify this period of reduced activity using landings data, trip-level reports, VTRs, or other available information.
 - Each sector will identify the specific periods of measure for COVID-19 loss.

- For individuals that provide documentation of COVID-19 infection, MA DMF will consider appeals to use a different timeframe of at least one month, inclusive of the period of illness, for the revenue loss calculation. For example, MA DMF would consider allowing a commercial fisherman who had a documented case of COVID-19 in November 2020 to use November 1-November 30 as their timeframe for the revenue loss, even though that is not the set period of measure for the commercial fishing sector. Individuals with documented COVID-19 cases still must meet the greater than 35% loss threshold.
 - All Round 1 recipients will be pre-qualified based on their attested revenue loss during the previous application process. All sectors will provide an amended period that can be used for the revenue loss calculation for Round 2, with the aim of qualifying more individuals for the program.
 - Self-certify that they will not be made more than whole through annual revenue earned in 2020, funding from this program (Round 1 and Round 2 monies), and other forms of COVID-19 pandemic-related aid received in 2020.
 - To prevent program participants from returning funds if they are made more than whole, each applicant will calculate the maximum payment they could receive through CARES Round 2 based on their known 2020 annual revenue and all applicable COVID-19 relief received in 2020; a total not to exceed their 2015-2019 annual revenue average.
 - Should an applicant’s assigned tier payment exceed their maximum allowable payment, MA DMF will instead pay the applicant their maximum allowable payment.
 - Applicants that received their permit after 2015 may exclude non-permitted years from their traditional annual revenue average. Since the “more than whole” calculation compares 2020 annual revenue to traditional annual revenue, applicants may also exclude up to one year from their five-year annual revenue average if they experienced medical hardships or significant vessel repairs beyond the scope of routine maintenance in any year between 2015 and 2019.
 - Self-certify that they are not in violation of any federal laws as required by a federal affidavit.
 - Be the holder of a Massachusetts permit for 2020 and previous years as required.
 - Be an active participant in a Massachusetts fishery sector as determined by the Division of Marine Fisheries permit database and other available documentation as specified in the sector specific plans detailed in this proposal.
 - Be 18 years or older at the time of application submission.

Sector Allocations

For Round 2, Massachusetts received approximately 84% of its Round 1 allocation. MA DMF proposes to initially fund each sector at 75% of their Round 1 allocation. An amount of \$2,439,378, around 10% of the total state allocation, will be held as set-aside funds to be allocated back into the sector(s) showing the greatest relative loss after Round 2 applications are collected. Using this set-aside approach requires that the applications periods for all four sectors be run simultaneously.

TABLE 2: SECTOR ALLOCATIONS, ROUND 1 AND ROUND 2

SECTOR	APPROVED ROUND 1	ROUND 2 PROPOSAL	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)	N/A	\$2,444,378	About 10% of MA allocation

Seafood Processing/Wholesale Dealers Spending Plan

- Minimum allocation for this sector: \$10,334,842
 - MA DMF will finalize sector allocations once the application period has concluded and need by sector has been evaluated. Additional funds up to \$2,444,378 may be allocated to this sector based on need.
- COVID-19 timeframe for evaluation of lost revenue:
 - March 10, 2020 – May 31, 2020 or Round 1 timeframe (March 10, 2020 – June 30, 2020).
 - No payments will be made or held for projected losses.
- Qualifying criteria: MA DMF will use the applicant’s self-reported, verifiable data, (e.g., tax returns) to determine tiering, payments, and other eligibility criteria. MA DMF will include eligibility and tiering data gathered through CARES Round 1 in each permit holder’s Round 2 application, when available. Sector-specific qualifying criteria are:
 - Must have held a 2020 Massachusetts Wholesale Dealer permit.
 - For active years between 2015 and 2019, must have average annual wholesale seafood sales of at least \$100,000.
 - Must receive at least 70% of total wholesale business revenue from wholesale seafood sales. Only seafood wholesale and processing activities will count toward the eligibility criteria.
 - Must have facilities in Massachusetts but do not have to be headquartered in Massachusetts.
- Payment determination: Applicants will be binned/tiered based on the number of employees, with each bin receiving a specific number of shares used to determine the payment per bin assignment. Employee numbers that MA DMF has not yet collected will be reviewed through the appeals process and verifiable by IRS Form 941. The number of employees is being used as a proxy for business size.
- Special considerations: Applicants (businesses) that operate multiple Massachusetts permitted facilities under one EIN will only be eligible to apply once.
- Application period and appeals: MA DMF plans for this sector to have a six-week application period and a two-week appeals period.
- Appeals: Applicants will be able to appeal their eligibility and tiering if they believe any of the information they provided or that MA DMF had on file was inaccurately recorded. All appeals will be handled on a case-by-case basis. MA DMF personnel will work with applicants on appeals to ensure a proper determination is made.
- Decision making and total funds distribution: After all initial and appellate applications have been received, reviewed, and confirmed, the sector allocation will be divided upon

a tiering model. Each successful applicant will be assigned a direct payment based on their qualification data. This direct payment sum (or the maximum payment they may receive based on “more than whole”) will be reported to ASMFC for payout to the recipient.

Seafood Processor Sector Tiering

TABLE 3: SEAFOOD PROCESSING SECTOR TIERING SYSTEM			
TIER	SHARE	TIER MINIMUM	TIER MAXIMUM
0	0	Permit holder provided no data	
1	1	>0	5
2	2	>5	10
3	3	>10	20
4	4	>20	40
5	5	>40	80
6	6	>80	120
7	7	>120	160
8	8	>160	Maximum

Commercial Fishing Businesses Spending Plan

- Minimum allocation for this sector: \$8,871,303
 - MA DMF will finalize sector allocations once the application period has concluded and need by sector has been evaluated. Additional funds up to \$2,444,378 may be allocated to this sector based on need.
- COVID-19 timeframe for evaluation of lost revenue:
 - March 15, 2020 – May 31, 2020 or Round 1 timeframe (March 15, 2020 – July 31, 2020).
 - No payments will be made or held for projected losses.
- Qualifying criteria: MA DMF has an excellent Statistics Program which has provided all dealer-certified data for ex-vessel price, yearly amounts and averages, and identification of active fishers. These statistics will be used to identify applicants and determine preliminary tiering amounts based on dealer-reported data (see qualifying criteria and tiering below). Applicants who choose to appeal their determination will need to provide additional documentation to establish qualification. MA DMF will include eligibility and tiering data gathered through CARES Round 1 in each permit holder’s Round 2 application. Sector-specific qualifying criteria are:
 - Must have held a 2020 commercial fishing permit.
 - Must have had landings during the selected COVID-19 timeframe listed above in any calendar year from 2017 to 2019.
 - Must meet a minimum of \$15,000 wild harvest ex-vessel income in any calendar year from 2017 to 2019.
- Payment determination: Applicants will be binned/tiered based on ranking criteria, with each bin receiving a specific number of shares used to determine the payment per bin assignment.
- Special considerations: Applicants with more than one commercial fisheries permit will be allowed to submit separate applications for each permit; each application will be evaluated using eligibility criteria for consideration of payment.

- Application period and appeals: MA DMF plans for this sector to have a six-week application period and a two-week appeals period.
- Appeals: Applicants will be able to appeal their best annual ex-vessel income from wild harvest landings during the previous three years if they believe the data MA DMF has available is inaccurate. Applicants may also appeal if they are flagged as a non-resident but do not hold a commercial fishing permit in their home state. All appeals will be handled on a case-by-case basis. MA DMF personnel will work with applicants on appeals to ensure a proper determination is made.
- Decision making and total funds distribution: After all initial and appellate applications have been received, reviewed, and confirmed, the sector allocation will be divided upon a tiering model. Each successful applicant will be assigned a direct payment based on their qualification data. This direct payment sum (or the maximum payment they may receive based on “more than whole”) will be reported to ASMFC for payout to the recipient.

Commercial Sector Tiering

Best annual ex-vessel income from wild harvest in the previous three years (2017-2019) will be used to bin commercial permit holders. Tiers were developed by ranking all remaining harvesters by best annual income from 2017-2019 and dividing into quartiles. To accommodate the large value span in the 3rd and 4th quartiles, the number of harvesters in each was divided in half resulting in six total tiers. These value bins will be used to tier the permit holders who apply and qualify.

TABLE 4: COMMERCIAL SECTOR TIERING SYSTEM			
TIER	SHARE	TIER MINIMUM	TIER MAXIMUM
0	0	> \$0	\$15,000
1	1	> \$15,000	\$31,341
2	2	> \$31,341	\$69,997
3	3	> \$69,997	\$116,326
4	4	> \$116,326	\$221,929
5	5	> \$221,929	\$583,832
6	6	> \$583,832	\$8,100,000

Aquaculture Operations Spending Plan

- Minimum allocation for this sector: \$864,489
 - o MA DMF will finalize sector allocations once the application period has concluded and need by sector has been evaluated. Additional funds up to \$2,444,378 may be allocated to this sector based on need.
- COVID-19 timeframe for evaluation of lost revenue:
 - o March 15, 2020 – October 31, 2020 or Round 1 timeframe (March 15, 2020 – June 30, 2020).

- o No payments will be made or held for projected losses.
- Qualifying criteria: A straightforward breakdown of eligible propagation permit holders' revenue will be used to qualify applicants and determine a tiering payment system. MA DMF will include eligibility and tiering data gathered through CARES Round 1 in each permit holder's Round 2 application.
- Payment determination: Applicants will be binned/tiered based on ranking criteria, with each bin receiving a specific number of shares used to determine the payment per bin assignment as further described below. MA DMF will include eligibility and tiering data gathered through CARES Round 1 in each permit holder's Round 2 application. The sector-specific qualifying criterion is:
 - o Must have held a 2020 Massachusetts Propagation or Aquaculture permit.
- Application period and appeals: MA DMF plans for this sector to have a six-week application period and a two-week appeals period.
- Appeals: Applicants will be able to appeal their best annual ex-vessel income from cultured landings during the previous three years if they believe the data MA DMF has available is inaccurate. All appeals will be handled on a case-by-case basis. MA DMF personnel will work with applicants on appeals to ensure a proper determination is made.
- Decision making and total funds distribution: After all initial and appellate applications have been received, reviewed, and confirmed, the sector allocation will be divided upon a tiering model. Each successful applicant will be assigned a direct payment based on their qualification data. This direct payment sum (or the maximum payment they may receive based on "more than whole") will be reported to ASMFC for payout to the recipient.

Aquaculture Sector Tiering

Best annual ex-vessel income from cultured landings in the previous three years (2017-2019) will be used to bin aquaculture growers. The lowest bin was defined as \$0-\$7,500 to provide some relief to those lower-revenue growers at a quarter share. From >\$7,500 - \$300,000, value was divided into eight equal sized bins and all applicants with annual income greater than \$300,000 will be placed into the top tier.

TABLE 5: AQUACULTURE SECTOR TIERING SYSTEM			
TIER	SHARE	TIER MINIMUM	TIER MAXIMUM
1	0.25	\$0	\$7,500
2	1	> \$7,500	\$49,286
3	2	> \$49,286	\$91,071
4	3	> \$91,071	\$132,857
5	4	> \$132,857	\$174,643
6	5	> \$174,643	\$216,429
7	6	> \$216,429	\$258,214
8	7	> \$258,214	\$300,000

9	8	> \$300,000	\$2,400,000
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For-hire Fishing Businesses Spending Plan

- Minimum allocation for this sector: \$750,000
 - MA DMF will finalize sector allocations once the application period has concluded and need by sector has been evaluated. Additional funds up to \$2,444,378 may be allocated to this sector based on need.
- COVID-19 timeframe for evaluation of lost revenue:
 - March 1, 2020 – December 31, 2020 or Round 1 timeframe (March 1, 2020 – June 30, 2020).
 - No payments will be made or held for projected losses.
- Qualifying criteria: MA DMF will use vessel registration/documentation records, VTR data, and annual survey data on file with MA DMF to determine eligibility and tiering thresholds for selected ranking criteria. Ranking criteria will include vessel activity level and vessel size. MA DMF will include eligibility and tiering data gathered through CARES Round 1 in each permit holder’s Round 2 application.
 - Sector-specific criteria for head boats are:
 - Must have held a 2020 Massachusetts for-hire Head Boat permit.
 - Must have held a 2019 Massachusetts for-hire Head Boat permit.
 - Must meet a threshold of at least 10 for-hire fishing trips in 2017, 2018, or 2019.
 - Sector-specific criteria for charter boats are:
 - Must have held a 2020 Massachusetts Charter Boat permit.
 - Must have held a 2019 Massachusetts Charter Boat permit.
 - Must meet a threshold of at least 50 for-hire fishing trips in 2017, 2018, or 2019.
- Payment determination: Applicants will be assigned a ‘payment bin’ based on ranking criteria that will include both vessel size and for-hire activity level, with each bin receiving a specific number of shares used to determine the payment per bin assignment. Holders of multiple for-hire permits may apply and be eligible for payment for each permit with no specific cap on the payment received.
- Special considerations: Non-resident permit holders may be eligible if not permitted and receiving CARES Act fishing aid (either Round 1 or Round 2) in their home state. Non-resident applicants will need to self-certify that they are not permitted or receiving CARES Act aid from their home state, and this will be further verified by the MA DMF.
- Application and appeals period: This sector will have a six-week application period and a two-week appeals period.
- Appeals: Applicants will be able to appeal the size of their vessel on file with MA DMF based on USCG Documentation and/or state vessel registration records only. For-Hire Head-Boat applicants can appeal activity level based on vessel log books, which will be reviewed by MA DMF personnel. For-Hire Charter Boats can appeal activity level based on for-hire income as listed on tax records and average revenue per chartered trip to determine a proxy for the number of for-hire trips in a given year. Other appeals, such as state of residency, will be reviewed by MA DMF personnel on a case-by-case basis.
- Decision making and total funds distribution: After all initial and appellate applications have been received, reviewed, and confirmed, each subsector’s allocation will be divided

upon a tiering model. Each successful applicant will be assigned a direct payment based on their qualification data. This direct payment sum (or the maximum payment they may receive based on “more than whole”) will be reported to ASMFC for payout to the recipient.

For-Hire Head Boat Sector Tiering

TABLE 6: FOR-HIRE HEAD BOAT SECTOR TIERING SYSTEM				
Ve ss el Siz e		<i>Activity Level in For-Hire Fishing Head Boat</i>		
		Inactive	Limited (10 to ≤ 40 trips)	Active (41+ trips)
	Small (≤ 40')	0	0.0625	0.25
	Medium (41' to ≤ 65')	0	0.15625	0.625
	Large (66'+)	0	0.25	1

For-Hire Charter Boat Sector Tiering

TABLE 7: FOR-HIRE HEAD BOAT SECTOR TIERING SYSTEM			
Ve ss el Si ze		<i>Activity Level in For-Hire Fishing Charter Boat</i>	
		Ineligible (< 50 trips)	Active (≥ 50 trips)
	Small (< 28')	0	0.5
	Large (≥ 28')	0	1

Project Management

Principal Investigator (PI) Kevin Creighton will oversee this entire project. MA DMF employees will serve as Chairs overseeing working group discussions and decision-making. A MA DMF Program Coordinator, Maggie Nazarens, will assist PI Creighton with applications and fishery participant information. PI Creighton will work directly with Laura Leach, ASMFC Director of Finance & Administration, to coordinate payments based on MA DMF’s final decisions for eligibility and sum payment. After funds distribution, MA DMF will submit to ASMFC a final report to document distribution of this relief program.

Expected Benefits

Massachusetts' fisheries play an enormous role in Massachusetts' overall economy. The Commonwealth boasts a unique chain of harvesters, dealers, growers, and tourist-related industries dependent on local fisheries. When COVID-19 essentially shut down international, domestic, and local markets, Massachusetts' fisheries stalled, as well as the economic supply chain that followed. Although the assistance provided through CARES Round 1 did help some fishery participants recover, others are still in need of support. MA DMF hopes that Round 2 of the CARES Act Fisheries Relief program will assist Massachusetts' fishing sectors in a meaningful way as the severity of the pandemic decreases and normal activities can resume.

Acknowledgements

MA DMF would like to thank all working group members, the Industry Advisory Panel, and MA DMF staff for their efforts in developing and supporting this program. MA DMF also thanks ASMFC staff for their efforts with preparing and distributing checks and tax forms to eligible applicants.

Working Groups

Seafood Processor

Jared Auerbach, Seafood Processor
Tory Bramante, Seafood Processor
Gordon Carr, MassPort
Nick Giacalone, Seafood Processor
George Krikorian, New Bedford Harbor Development Commission
Laura Ramsden, Seafood Processor
Jim Saxonis/Mike Trupiano, Seafood Processors

Commercial Fishing

Ed Barret, MA Fishing Partnership
Ron Bergstrom, Chatham wild shellfish fisherman
Beth Casoni, MA Lobsterman's Association
Albert Cottone, Gloucester Fisheries Commission
Shelley Edmundson, Martha's Vineyard Fisherman's Preservation Fund
George Krikorian, New Bedford Port Authority
Drew Minkiewicz, Fisheries Survival Fund
Jackie Odell, Northeast Seafood Coalition
Dan Orchard, MA Fishing Partnership Support Services
John Pappalardo, Cape Cod Commercial Fisherman's Alliance

Aquaculture

Mark Begley, Shellfish Aquaculture
Jack Blake, Shellfish Aquaculture
Aaron Brochu, Big Rock Oyster Co.
Bill Doyle, Shellfish Aquaculture
Josh Reitsma, SEMAC & Woods Whole Sea Grant Representative
Scott Soares, MAA

For-Hire Fishing

Tim Brady, F/V Mary Elizabeth Head Boat
Chris Charos, Captain's Fishing Parties Head Boat Fleet
Don Cianciolo, F/V Laura-Jay Charter Boat
Willy Hatch, F/V Machacha Charter Boat
Joe Huckemeyer, Helen H Head Boat Fleet
Mike Pierdinock, F/V Perseverance Charter Boat

Industry Advisory Panel

Ed Barret, MA Fishing Partnership
Tory Bramante, Seafood Processor
Beth Casoni, MA Lobsterman's Association
Bill Doyle, Shellfish Aquaculture
Joe Huckemeyer, Helen H Head Boat Fleet
George Krikorian, New Bedford Port Authority
Dan Orchard, MA Fishing Partnership Support Services
John Pappalardo, Cape Cod Commercial Fisherman's Alliance
Mike Pierdinock, F/V Perseverance Charter Boat
Laura Ramsden, Seafood Processor
Scott Soares, MAA

MA DMF Staff

Daniel McKiernan, MA DMF Director
Story Reed, Seafood Processor Sector Chair
Melanie Griffin, Commercial Fishing Sector Co-Chair
Jared Silva, Commercial Fishing Sector Co-Chair
Jeff Kennedy, Aquaculture Sector Co-Chair
Christian Petitpas, Aquaculture Sector Co-Chair
Tom Shields, Aquaculture Sector Co-Chair
Mike Armstrong, For-Hire Sector Co-Chair
Nichola Meserve, For-Hire Sector Co-Chair
Anna Webb, Fisheries Statistics Project Leader
Erich Druskat, Fisheries Statistics Project
Stephanie Cunningham, Federal Aid and Grants Coordinator
Maren Budrow, Assistant Federal Aid and Grants Coordinator
Julia Kaplan, Communications Specialist

PROJECT BUDGET

MA DMF CARES Act Fisheries Relief Budget			
	Rate	Quantity	Cost
a. Personnel			\$23,215.00
Program Coordinator I		20 weeks	\$23,215.00
b. Fringe Benefits			\$8,895.98
Fringe on straight salary	36.38 %		\$8,445.61
Payroll Taxes on salary	1.94%		\$450.37
c. Travel			\$0
d. Equipment			\$0
e. Supplies			\$3,000.00
Mailing materials			\$3,000.00
f. Contractual			\$23,265,012.00
Direct payments to CARES Act Fisheries Relief sector recipients			\$23,265,012.00
h. Other			\$8,500.00
Postage			\$8,500.00
i. Total Direct Charges			\$23,308,622.98
j. Indirect Charges	(personnel only)	24.79 %	\$5,755.00
k. Totals			\$23,314,377.98

a. Personnel \$23,215

MA DMF is requesting \$23,215 for 20 weeks of salary time for Program Coordinator Maggie Nazarenus to assist PI Kevin Creighton in mailings, receipt of applications, organization of eligible fishery participant information, and final determination correspondence for these relief funds.

b. Fringe Benefits \$8,896

MA DMF is requesting \$8,896 to cover fringe benefits associated with the personnel request. The MA DMF FY21 fringe rate of 36.38% and additional payroll tax rate of 1.94% are applied to full time personnel salary. The fringe rate includes the costs for Group Insurance, Retirement, and Terminal Leave. The payroll rate includes the costs of Unemployment Insurance, Universal Health Insurance, Medicare, and Paid Family Medical Leave.

c. Travel \$0

d. Equipment \$0

e. Supplies \$3,000

MA DMF requests \$3,000 for printed materials and envelopes to mail 10,000+ applications to all potential aid recipients.

f. Contractual \$23,265,012

Direct payments to Round 2 CARES Act Fisheries Relief sector recipients (\$23,260,012)

MA DMF requests \$23,260,012 in CARES Act fisheries relief to provide aid to eligible Massachusetts fishery participants negatively impacted by the COVID-19 pandemic. Payments will be made according to each sector's spending plan detailed in the project's Statement of Work.

Each sector will receive no less than 75% of their Round 1 allocation. The total of payments distributed across all four sectors will equal \$23,265,012. Listed below are the minimum allocations for each sector:

- Seafood Processing/Wholesale Dealers: \$10,334,842
- Commercial Fishing Businesses: \$8,871,303
- Aquaculture: \$864,489
- For-hire Fishing Businesses: \$750,000

MA DMF will finalize sector allocations once the application period has concluded and need by sector has been evaluated. The set-aside funds of \$2,444,378 will be allocated across the sector(s) based on need.

g. Construction \$0

h. Other \$8,500

MA DMF is requesting \$8,500 to cover the cost of postage to mail applications to approximately 10,000 fishery participants for potential receipt of CARES Act fisheries relief. This cost reflects the weight of a mailing with a business envelope, return envelope, and six-page application, at \$0.85 for each piece of mail.

i. Total Direct Costs \$23,308,623

j. Indirect \$5,755

MA DMF is requesting \$5,755 to cover indirect costs associated with the personnel request. MA DMF has a federally-negotiated modified total direct cost indirect rate of 24.79% applicable to personnel costs. A copy of this rate agreement is attached.

k. Total Project Costs \$23,314,378