



The Commonwealth of Massachusetts

Division of Marine Fisheries

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Round 2 CARES Act Fisheries Relief Seafood Processor/Wholesale Dealer Working Group Meeting Summary April 16, 2021

Industry Members: Jared Auerbach, Tory Bramante, Gordon Carr, Laura Ramsden, Jim Saxonis

DMF Staff Present: Daniel McKiernan (Director), Story Reed (Sector Chair), Kevin Creighton, Stephanie Cunningham, Anna Webb, Julia Kaplan, Maggie Nazareus

Meeting Introduction

This meeting began with a summary of Round 2 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act Fisheries Relief Program. The Massachusetts (MA) Division of Marine Fisheries (DMF) is in the early planning stages for CARES Round 2. The working group meetings for three sectors were held on either April 15th or April 16th, and the final sector's working group meeting is scheduled for April 26. The requirements for CARES Round 2 as written in the Consolidated Appropriations Act of 2021 reference the same stipulations written in the original CARES Act. As such, MA DMF does not expect many changes to be made to CARES Round 2, as compared to Round 1.

The purpose of the Seafood Processor/Wholesale Dealer sector Working Group meeting was to review the impacts of Round 1 working group decisions on program outcomes and reach consensus for the Seafood Processor/Wholesale Dealer Round 2 CARES Program.

Round 1 CARES Act Relief Recap

The Sector Chair first provided a recap of the Round 1 CARES Program. Round 1 of the CARES Act Fisheries Relief Program allocated \$300 million nationwide for fisheries relief, with Massachusetts receiving approximately \$27.8 million. The Seafood Processor/Wholesale Dealer sector was allocated \$13.8 million of these funds. As written in the CARES Act, applicants were required to meet certain criteria such as incurring a 35% or greater loss in revenue during a set time period from 2020, as compared to an average of revenues during that same time period over the past five years (2015 to 2019). The Working Group set this period for Round 1 as March 10 to June 30. Additionally, the Working Group established that eligible applicants must receive at least 70% of wholesale business from seafood sales and must have made an average of at least \$100,000 in annual wholesale seafood sales over the past five years.

MA DMF sent applications to all holders of a MA Wholesale Dealer permit as of June 30, 2020, a total of 348 permits. DMF received 139 applications in response and 113 applicants were ultimately eligible for funding through Round 1. Nine of the applications that were returned were denied by DMF because the applicants did not meet the 35% loss requirement.

The Working Group discussed the roughly 200 applications that were not returned and concluded that a significant portion of these permit holders did not meet the 35% loss requirement during the March 10 to June 30 period. However, some businesses were not predominately seafood and therefore ineligible. During the Round 1 application period, MA DMF called nonresponsive Wholesale Dealer permit holders to ensure that they did not apply simply because they had not seen the application in the mail.

The Sector Chair then provided a breakdown of the nine payment tiers under Round 1, noting the number of payment recipients for each tier and the average revenue loss reported by each tier.

Round 2 CARES Act Eligibility Requirements

Revenue Loss

The Working Group reviewed different options for the time period used in the revenue loss calculation. While Round 2 still requires applicants to have incurred a 35% revenue loss, the period used to calculate the loss as compared to the five-year average could be amended. The Working Group acknowledged that all businesses are different and that there was an overall downturn in sales later in 2020 as COVID-19 restrictions increased, outdoor dining shut down, and tourism declined, but ultimately agreed that the first few months of the pandemic were when the industry was hardest hit. To try to reach the greatest number of applicants, the Working Group agreed to shorten the period used for the revenue loss calculation to March 10 to May 31 but to also pre-qualify any permit holders that received funding during Round 1, as they already have proven to meet the revenue loss requirement.

Minimum Eligibility Criteria

The Working Group ran through other criteria, like 70% of wholesale business coming from seafood or the \$100,000 in seafood sales minimum, and agreed to keep those thresholds. The Working Group noted that these requirements worked well for Round 1, which was a successful program that was smoothly run and worked to build consensus among industry participants across sectors.

Sector Round 2 Allocation

DMF proposed that Round 2 funds be allocated across the four sectors (aquaculture, commercial fishing, for-hire fishing, and seafood processing) at approximately 75% of their Round 1 sector allocations. DMF would then set aside 10% of its overall allocation, about \$2.3 million, and after all Round 2 applications are received and DMF has additional data on losses and payment sizes, DMF would distribute the set-aside funds to certain sectors based on need. The Working Group agreed with this approach.

Next Steps

After the final sector working group meeting is held, DMF will convene the Industry Advisory Panel, consisting of representatives from each sector to review sector allocations and discuss next steps for the Round 2 CARES program.