

CARES Act Assistance to Fisheries Participants

Commercial Harvesters and Processors
June 19, 2020



Agenda

- Background
- NOAA Guidance
- Initial WA Fisheries Data
- Thinking on WA Approach
- Feedback / Q&A

Photo Credit: [NOAA Fisheries](#)



WELCOME – THANKS FOR JOINING US!

ZOOM WEBINAR/ CALL LOGISTICS

- You can turn your camera on and mute or unmute yourself through the control panel at the bottom of your screen.
- We will keep folks muted during the beginning of our program, then will unmute folks when we open it up for questions and feedback at the end. Callers can unmute yourself by pressing *6 on your phone.
- During the Q&A portion of the meeting, we will ask that you “raise their hand” to ask a question which you can access through the control panel at the bottom of the screen. You can also raise your hand by hovering over your face or name on the list of participants. Callers can raise their hand by dialing *9.
- If you have any technical issues during the call, use the chat button and we will help you through those. ***Please do not use the chat for questions or comments on the presentation, we will take those live.***

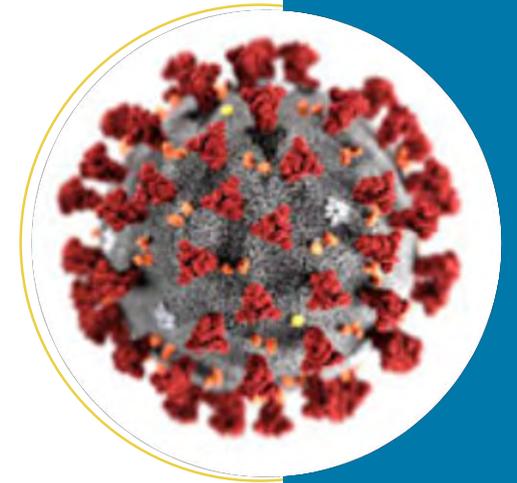




BACKGROUND ON CARES ACT

CARES Act Assistance

- In response to COVID-19 impacts to the commercial fishing and seafood industry, U.S. Congress appropriated \$300 million.
- WA and AK got the highest portion of funding.
- \$50 M designated for Washington commercial fishers, shellfish growers, charter boat owners, and processors.
- Allocations are based on baseline annual averages, i.e. "normal conditions."





NOAA GUIDANCE

NMFS METHODOLOGY

- NOAA Fisheries used multi-year averages to estimate the total average annual revenues.
- Average annual landings revenue data from Alaska, New England, and Mid-Atlantic states were adjusted to attribute landings in those regions to a vessel owner's state of residence.
- Average annual value-added estimates from the seafood sector were calculated using NOAA Fisheries' Commercial Fishing & Seafood Industry Economic Impact Model while Alaska and West Coast value added estimates were calculated from regional models.



Survey of trip expenditures
(charter fees and tips only)

Ex-vessel \$ from N.
Pacific and local
commercial fisheries,
plus aquaculture

Input-output model
estimates. Ex-vessel
revenues are the main
inputs that vary year-to-
year (economic
"multipliers" are
updated less frequently)

\$50 M is the max they
would give to any state
(16.7% of the total). We
likely would have had a
higher percentage if not
capped.

Percentage of Total Annual Revenue (All Sectors)

Entity	For-Hire Fishing	Commercial Fishing and Aquaculture	Seafood Sector	Tribal Commercial Fishing, Aquaculture & For Hire	Allocation
Alaska	5.5%	35.2%	59.3%		\$50,000,000
Washington	0.6%	67.8%	31.6%		\$50,000,000
Massachusetts	1.5%	47.3%	51.2%		\$28,004,176
Florida	27.0%	30.7%	42.3%		\$23,636,600
Maine	0.4%	81.5%	18.1%		\$20,308,513
California	18.6%	30.6%	50.8%		\$18,350,586
Oregon	2.1%	45.6%	52.3%		\$15,982,827



CALCULATION ASSUMPTIONS

—Commercial Ex-Vessel Revenues

- Major input and source of best and up-to-date information
- Money paid to fishers by buyers and recorded on fish/shellfish receiving tickets (with some exceptions)
- Washington-based AK fishing operations likely account for the bulk of NMFS' allocation to WA
- As pandemic continues, WDFW will have up-to-date info but timing will vary by fishery



CALCULATION ASSUMPTIONS

- Seafood Sector Revenues
 - NMFS has an input/output model for the West Coast and one for AK
 - Ex-vessel revenues are the one input to these models that vary each year. The other inputs – the “multipliers” are not updated as frequently
 - The models won’t reflect what the sector is experiencing if there’s a breakdown between the ex-vessel prices and the revenues earned by buyers and processors
 - Residency question is important component



NOAA GUIDANCE

- Eligible sectors – shellfish, commercial fishers, processors, charters.
- Eligible businesses must be able to prove an incurred annual loss of 35% compared to the 5 year average.
- Businesses should apply in state where they operate, except fishers and at-sea processors who must apply in homeport state.
- Seafood sector would apply to the state where buying/processing occurs.
- While NOAA made assumptions around revenue losses to come up with state allocations, they've provided flexibility to the states to determine eligibility.
- WA has flexibility to design the spend plan based on unique revenue impacts here in WA.



Key Takeaways

- Guidance allows states the flexibility to tailor spend plans to their unique situations.
- With the number of sectors included, we will likely not have funding to meet the full need here in WA.
- Eligibility based on the 35% threshold Congress provided.
- CARES + 2020 revenues must be equal to or lower than 5-yr average or reimbursement potential.
- NOAA and PSMFC will have admin, WA will not.
- Individual applicants will be required to sign affidavit and will be subject to audit by The Office of the Inspector General.



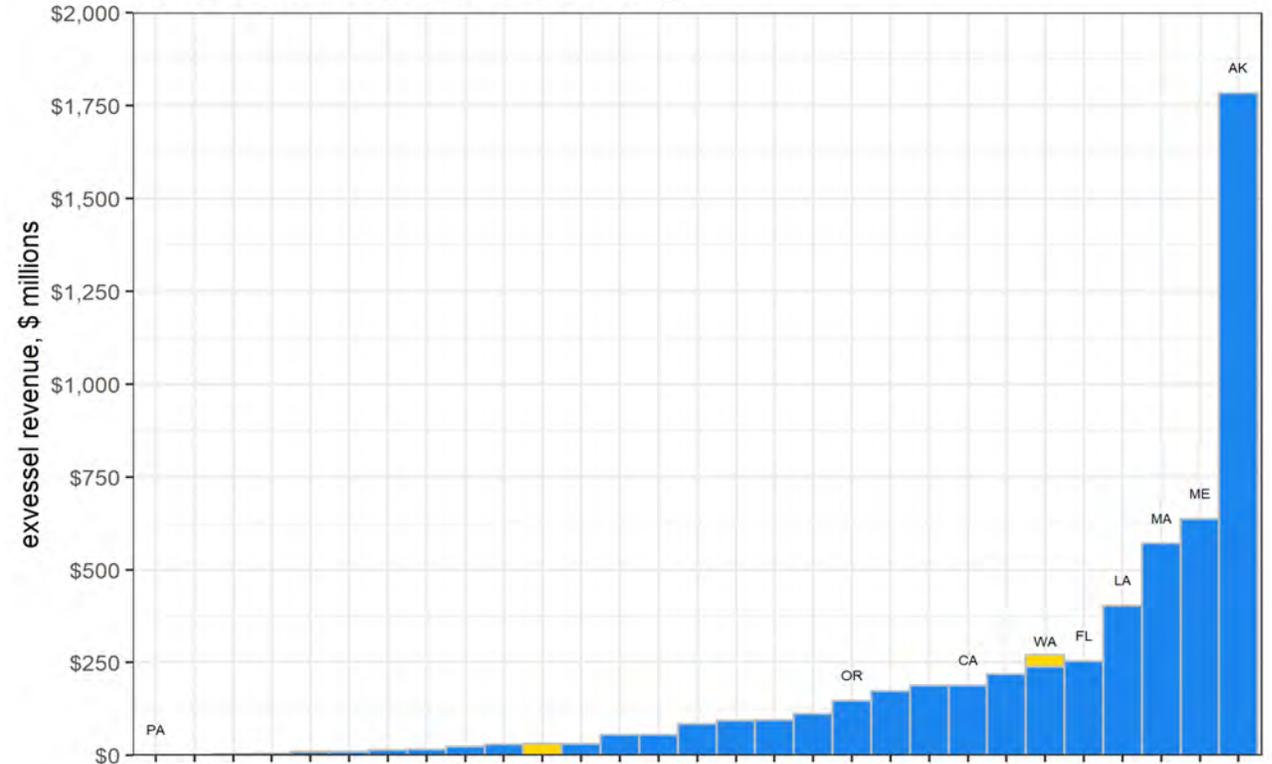
Photo credit: [The Crosscut](#)



NATION-WIDE FISHERIES TRENDS

- Washington is sixth highest in terms of fisheries revenues
- So why did we receive the maximum allocation?
- AK fishers/at-sea processors homeporting in WA and shellfish industry

Fisheries of the U.S., 2014-2018 avg.



Average ex-vessel revenues (nominal) by year, 2014-2018, highlighting the significance of revenues from Alaska. The gold bar shows the at sea whiting fishery. A portion of those revenues are attributed to Oregon based vessels delivering their catch to mothership vessels. The processing companies are based in Washington.

Source: <https://foss.nmfs.noaa.gov/apexfoss/f?p=215%3A200%3A%3A%3A%3A%3A>

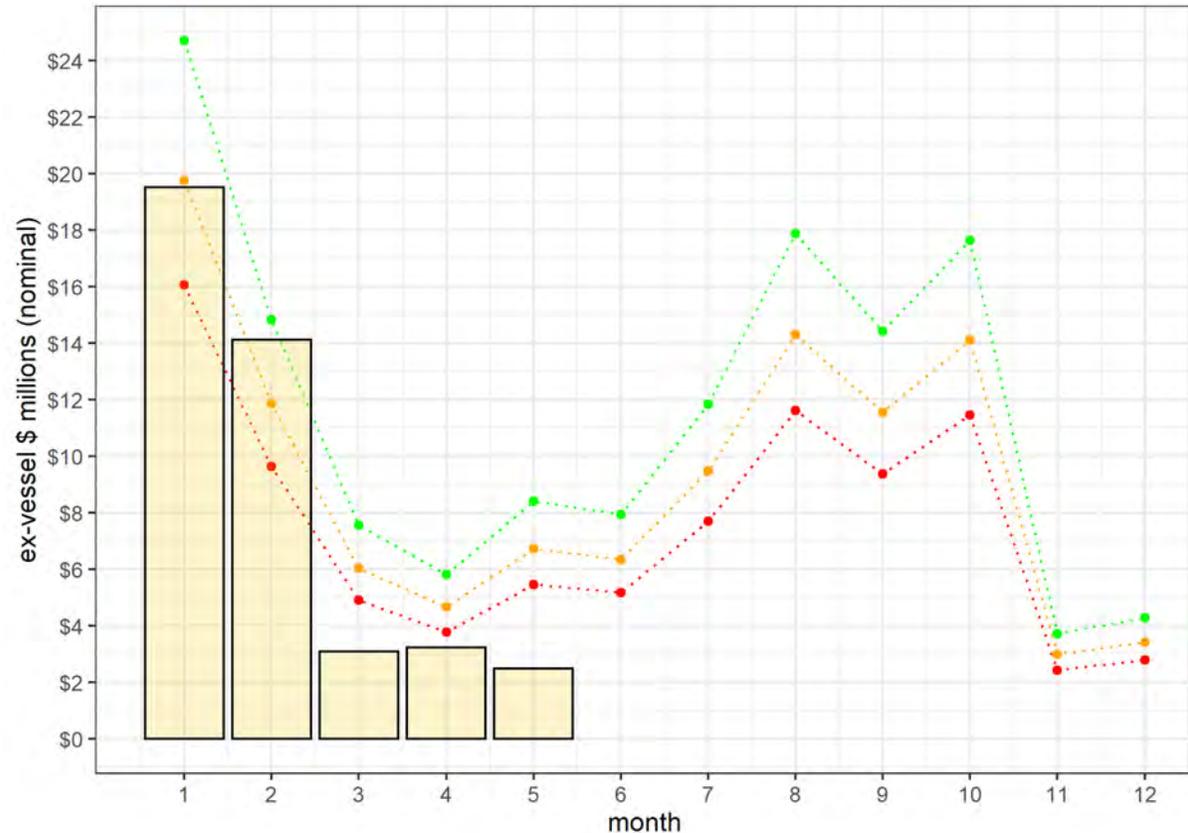




INITIAL LOOK AT FISHERY DATA

ALL COMMERCIAL REVENUES

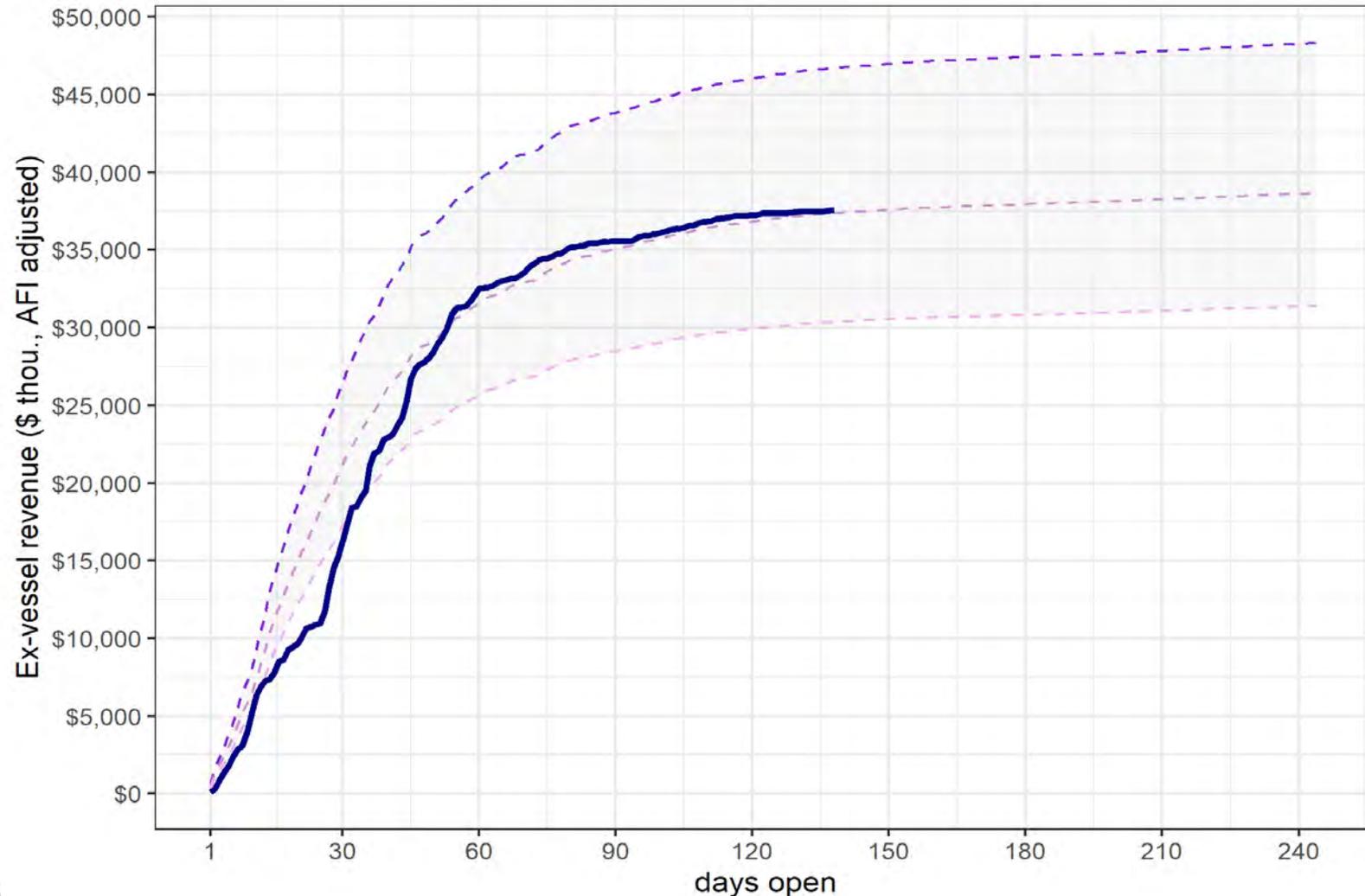
- Winter and summer fisheries are WA's highest revenue generators.
- CARES Assistance is focused on incurred losses but allows state's flexibility in determining time range for eligibility.
- WA has an important choice to make around acting now and distributing funds sooner to those who experienced losses during quarantine or waiting to include potential future revenue losses.



The yellow bars show all commercial fishing revenues (non-tribal) landed into Washington by month (data through early- to mid- May). The green dashed line shows the 2015-2019 average by month. The orange dashed line identifies a 20% decline from that average and the red a 35% decline.



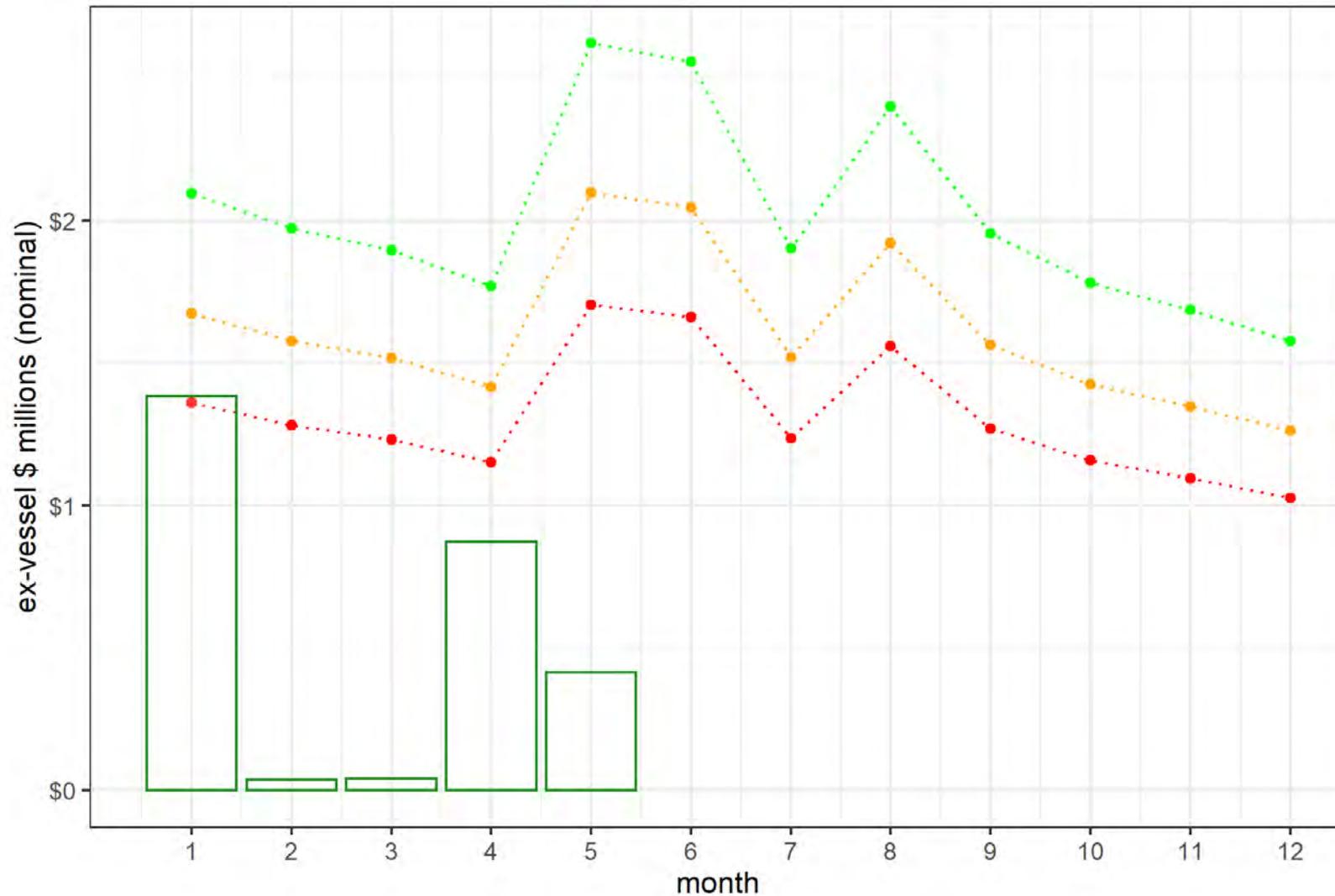
COASTAL CRAB REVENUES VS. 5-YEAR AVERAGE



The solid purple line shows the running total of revenues by day with the number on the x-axis showing the number of days the fishery was open. Day 1 is set to the South of Klipsan opening date. The dashed line at the top of the shaded region identifies the prior 5 season average by day. The bottom dashed line shows a 35% decline from that average. And the middle dashed line displays a 20% decline from the average. The data is subject to change but is up-to-date through early to mid May.



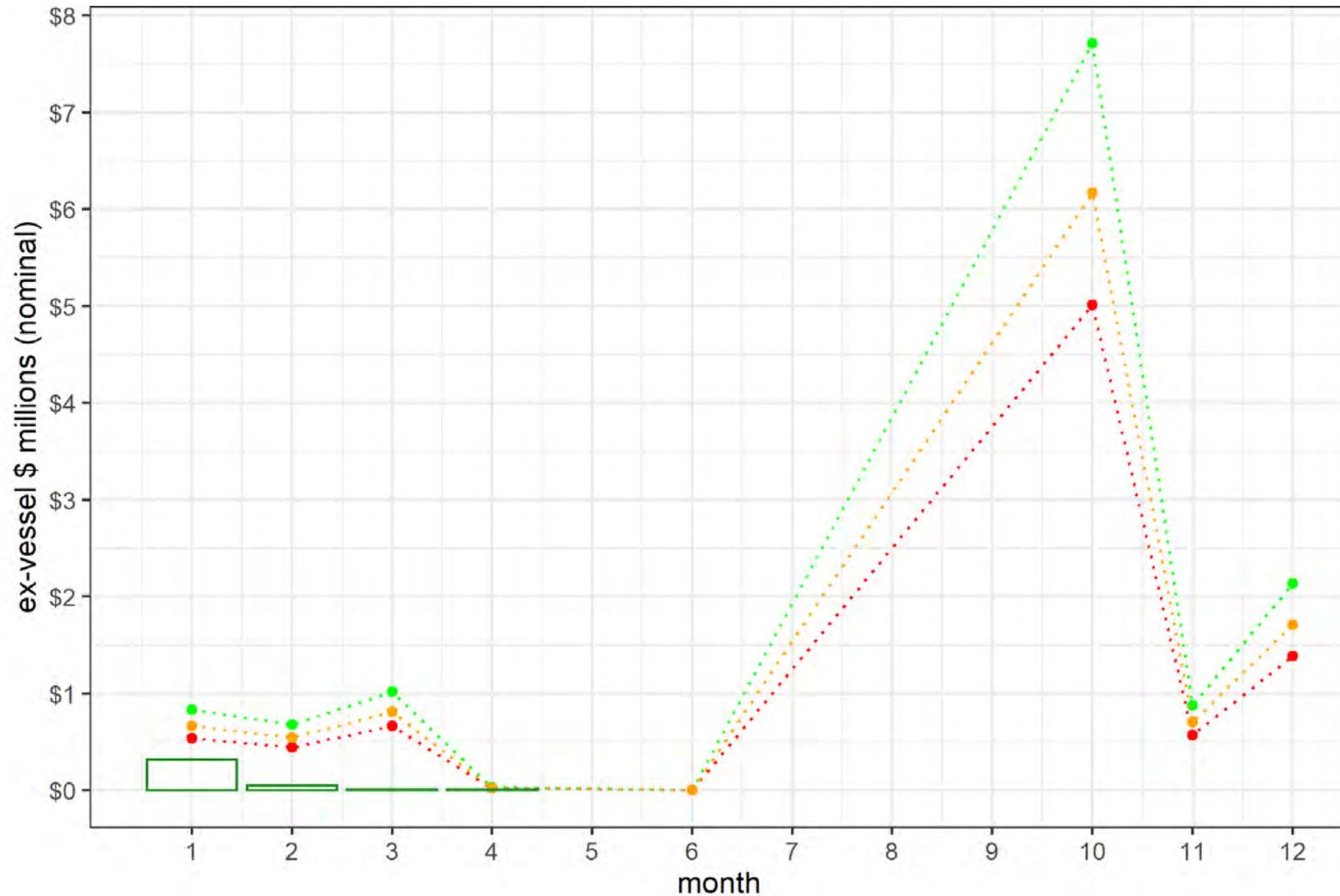
Commercial Geoduck



The green bars display monthly revenues for 2020. Data up to date through early- to mid-May. The green dashed line displays the 2015-2019 average by month. The orange line shows a 20 percent decline from that average. And the red line shows a 35% decline.



Puget Sound Crab



The green bars display monthly revenues for 2020. Data up to date through early- to mid-May. The green dashed line displays the 2015-2019 average by month. The orange line shows a 20 percent decline from that average. And the red line shows a 35% decline.





WASHINGTON'S APPROACH

KEY MILESTONES

WHEN	WHAT
March 27 th	CARES Act Assistance to Fisheries Participants signed into law
June 1 st	NOAA guidance received
Mid June	Sector discussions to gather feedback
June 30 th	Webinar for broader public
Mid July	Spend plans due to PSMFC and NOAA
September 2020	Possible beginning of CARES Act funds distribution
September 30, 2021	Deadline included in legislation for funds to be distributed



WASHINGTON VALUES

- Meet Congressional intent
- Distribute funds as quickly as possible to provide relief to severely impacted businesses
- Make sure approach is fair



Photo credit: [NOAA Fisheries](#)



INITIAL THOUGHTS ON APPROACH

- Determine losses and scale to available funds.
- Avoid allocations or eligibility by sector. There may be healthy sectors with impacted individuals and forecasting impacts sector by sector is challenging.
- Time frame: use January – June as range for incurred losses.
- Include sectors listed in the legislation – focus on fishers, growers and first purchase of fish.
- No WA admin or set aside for disputes.
- Coordination to provide consistency on application process with west coast states.
- State of operations for shore based business units



KEY INPUT NEEDED FROM INDUSTRY

- What do you think about the approach of scaling to available funds?
- How much time should we build in for filling out applications and returning them? (30 days? 60 days? More?)
- What should we do for people who have less than 5 years of history with which to calculate their average? Should they have a minimum number of years of history? Should we use a sector average as a proxy?
- How do we ensure money gets to most impacted and we don't end up with individuals getting made more than whole?



Q&A

ZOOM REMINDERS:

You can turn your camera on and mute or unmute yourself through the control panel at the bottom of your screen.

We will keep folks muted during the beginning of our program, then will unmute folks when we open it up for questions and feedback at the end. Callers can unmute yourself by pressing *6 on your phone.

During the Q&A portion of the meeting, we will ask that you “raise their hand” to ask a question which you can access through the control panel at the bottom of the screen. You can also raise your hand by hovering over your face or name on the list of participants. Callers can raise their hand by dialing *9.

If you have any technical issues during the call, use the chat button and we will help you through those. ***Please do not use the chat for questions or the presentation, we will take those live.***



A photograph of a fishing boat on the water at sunset, viewed through a fishing net. The net is in the foreground, and the boat is in the middle ground. The sky is a mix of orange and blue, and the water is calm. The word "Questions?" is written in white text across the center of the image.

Questions?

