

CARES Act Assistance to Fisheries Participants

June 30, 2020



WELCOME!

ZOOM REMINDERS:

- All callers will be muted upon entry.
- You can type a question through the Q&A function or ask a question by “raising your hand.” If you’re calling in you can raise a hand by dialing *9 on your phone, or if you’re calling from a computer you can find the hand icon at the bottom of your screen or by hovering over your name on the participant list.
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Agenda

- Spend plan development process overview
- Background on CARES Act
- NOAA guidance
- WA approach
- Application process
- Feedback / Q&A

Photo Credit: [NOAA Fisheries](#)



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
July/August	Co-Manager Discussions
Fall 2020	Spend plans due to PSMFC and NOAA
Fall 2020	Possible beginning of CARES Act funds distribution
September 30, 2021	Deadline included in legislation for funds to be distributed

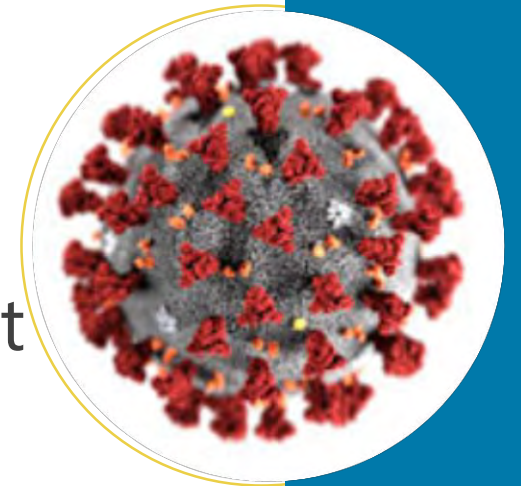




BACKGROUND ON CARES ACT

CARES Act Assistance

- Total appropriation - \$300 million.
- WA and AK got the highest portion of funding -- \$50 million each.
- Legislation identifies funds go to state commercial fishers, shellfish growers, charter boat owners processors, and tribes.
- Allocations based on baseline annual averages, i.e. "normal conditions."



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)

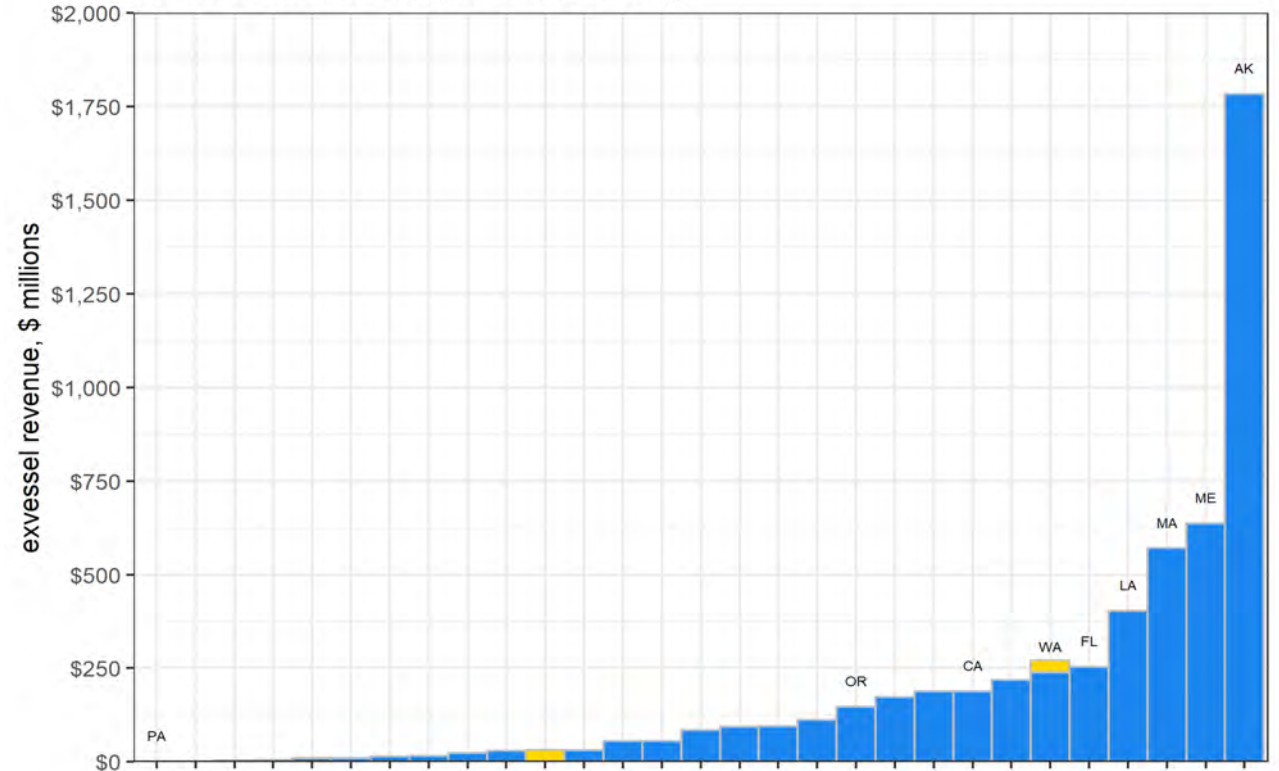
Entity	For-Hire Fishing	Commercial Fishing and Aquaculture	Seafood Sector	Tribal Commercial Fishing, Aquaculture & For Hire	Allocation
Alaska	5.5%	35.2%	59.3%		\$50,000,000
Washington	0.6%	67.8%	31.6%		\$50,000,000
Massachusetts	1.5%	47.3%	51.2%		\$28,004,176
Florida	27.0%	30.7%	42.3%		\$23,636,600
Maine	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



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>



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.



NOAA GUIDANCE

- With the number of sectors included, we will likely not have funding to meet the full need here in WA.
- Can't be made more than whole: CARES + 2020 revenues can't be more than 5-yr average or reimbursement.
- 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. Audit findings may result in repayment of full or partial assistance.



Photo credit: [The Crosscut](#)



TENTATIVE APPLICATION PROCESS

WHEN	WHAT
Mid July	Submit spend plan to PSMFC and NOAA
July & August	Co-Manager Discussions
September	Applications and affidavits sent to all license holders 30 days for applications to be returned, specific deadline TBA
Mid-October	PSMFC and WDFW will process applications
Fall 2020	Funds to be distributed



APPLICATION PACKETS TO INCLUDE

- ✓ Application form – which will solicit business information, data on revenues to prove losses of 35%.
- ✓ Affidavit – which will ask applicant to attest that all information is truthful.
- ❖ Reminder: if the business has net gain with CARES + other revenues by the end of the year, they will need to return funds to the federal Gov't.





WASHINGTON'S APPROACH

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](#)



INPUT FROM INDUSTRY

- Some want funds distributed sooner to help those who have experienced significant losses from domestic and international markets starting in January.
- Some are concerned that a shortened time period eliminating fisheries that may have revenue impacts in summer and fall.
- Some have businesses without 5 years of history so we need a way to accommodate those newer businesses that have been impacted (allow vessel history, quota history, shorter minimum or sector average as proxy).
- Support for at least 30 day application period to accommodate various fisheries underway.
- Interest in seeing other sectors not specifically mentioned in the legislation considered either initially or in future phases of relief funding (crew, charter offices, fishing guides, etc.)



CONFLICTING PERSPECTIVES

- Most conflicting perspectives were around the timeframe.
- Each state has a different approach to timeframe based on known and projected losses:
 - OR is looking at Feb – June because they didn't see losses until Feb and want to get funding to businesses most impacted by domestic market impacts
 - CA is looking at Jan – June to capture shellfish early in the year those fisheries impacted by both international and domestic market impacts
 - AK hasn't determined timeframe yet but majority of their impacted fisheries (esp. Salmon fisheries) are later in the summer/ fall
- WA doesn't want to leave sectors behind and is focused on known revenue losses from impacts to both international and domestic markets
- \$100 million House proposal for next phase CARES assistance to fisheries participants.



WA PROPOSED APPROACH

- Extend timeframe to use January – July as range for incurred losses on initial applications.
- Evaluate whether net or gross losses should be used as part of the criteria.
- Solicit applications for first phase. Determine losses and scale to available funds.
- Determine allocations by business vs. sector. There may be healthy sectors with impacted individuals.
- Start with sectors listed in the legislation – fishing businesses, growers and first purchase of fish (no charter offices, crew or guides in initial application).



WA PROPOSED APPROACH

- License owners eligible.
- Provide flexibility for those who don't have five years of business history (allow applicants to base on quota, sector proxy, vessel average and/ or lesser year average).
- No WA admin or set aside for disputes.
- If funds remain, run phase two to include extension of time period and additional sectors not included in legislation.



Q&A

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Questions?

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