

**Coronavirus Aid, Relief, and Economic Security (CARES) Act
Section 120005
New Hampshire Fisheries Relief Amended Spend Plan Proposal**



Submitted by

**Cheri Patterson
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Chief, Marine Fisheries
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2. Introduction:

On May 7, 2020, the Secretary of Commerce announced the allocation of \$300 million in coastal and marine fisheries assistance funding through the Sec. 12005 of the Coronavirus Aid, Relief, and Economic Security Act, CARES Act, to states, territories, and Tribes with fishery participants who have been negatively affected by COVID-19. NOAA Fisheries determined the revenue impacts relating to COVID-19 to the fishing communities and allocations to partners—the interstate marine fisheries commissions, Puerto Rico, and the U.S. Virgin Islands—to fairly disburse funds to address direct or indirect fishery-related losses as well as subsistence, cultural, or ceremonial impacts. There are no federally recognized Indian tribes that are involved in marine or anadromous fisheries in New Hampshire at this time.

New Hampshire’s seafood fishing industry and supporting businesses and markets were affected by the pandemic-related impacts either through global trade restrictions or domestic lockdowns or reduced operations seen as early as February 2020. Figure 1 shows the sharp decline in commercial fisheries revenue and the need for CARES Act assistance. The NOAA CARES Act funding package to New Hampshire (NH) is shown in Attachment A. Attachment B shows the fishing sector-based proportion of revenues for each state that contributed to the total US revenues used in the allocation of the \$300M of CARES Act funds from NOAA Fisheries.

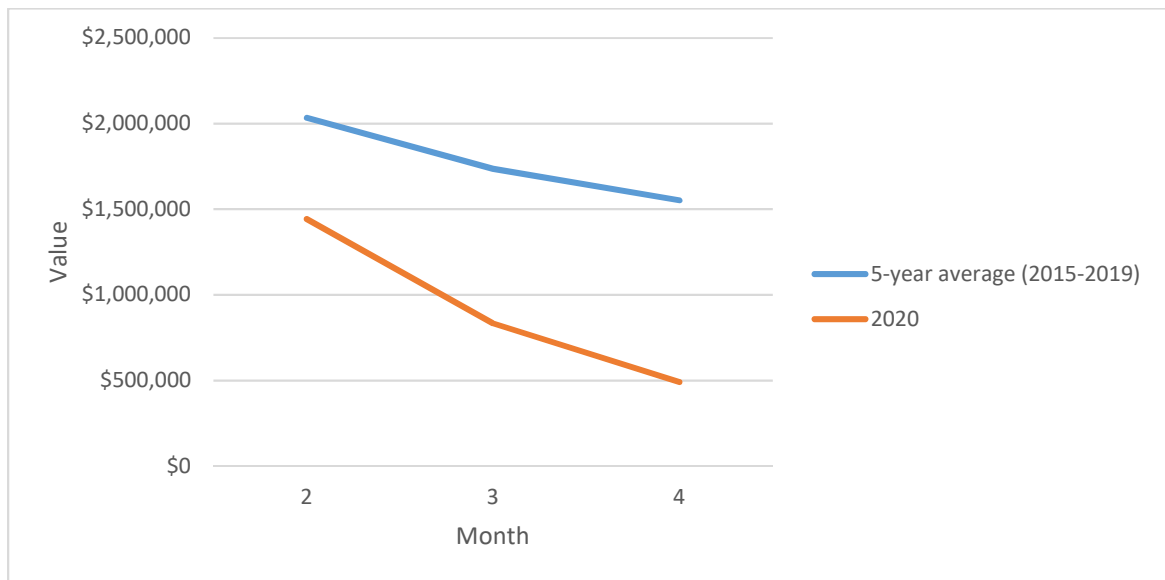


Figure 1. New Hampshire commercial fishing revenue in February, March, and April, 2020, compared to the previous 5-year average revenue.

Each state along the East Coast, will develop spend plans based on the CARES Act criteria and NOAA's guidance. Fishery participants eligible for funding include Tribes, commercial fishing businesses, for-hire fishing businesses, qualified aquaculture businesses as allowable under section 12005 of the CARES Act, seafood processors and dealers, and other fishery-related businesses (excluding bait and tackle and vessel and gear suppliers). Sec. 12005 of the CARES Act does not include funding for seafood retail markets, restaurants, boat yards, and freshwater industries. All spend plans must describe how the funding, including direct payments, fishery-related infrastructure, and fishery-related education, will address direct and indirect COVID-19 impacts to the commercial harvesters, for-hire fishing businesses, qualified aquaculture businesses, subsistence/tribal users, processors and dealers, and other fishery-related businesses. Once a state's spend plan has been approved by NOAA, the states will work with the Atlantic States Marine Fisheries Commission (ASMFC) to process payments to eligible fishery participants on behalf of the states.

The CARES Act criteria and NOAA's guidance (Attachment C) allow for these funds to be only available to those NH seafood business, for hire fishing businesses, qualified aquaculture businesses, or resident commercial harvesters that suffered a greater than 35% economic revenue loss caused by COVID-19 effects in 2020 relative to their previous 5-year average revenue for the same time period. As the state-by-state allocations were based on residency, non-residents that may operate out of New Hampshire will be eligible through their state of residence. However, NHFG will work with other states to assure that a unique non-resident situation that may not qualify in their state of residence may be a potential recipient for CARES funds allocated to New Hampshire through the appeals process. Any remaining CARES funds that may become available in the future will be distributed to infrastructure projects and marketing programs as described below. NH Fish and Game will be working with the ASMFC to execute the distribution of funds. The methodology in the following detailed Spend Plan, once reviewed and approved by NOAA, may be used for any future funds appropriated by Congress for the same purpose or updated if parameters are changed by Congress.

3. Objective:

To equitably distribute the New Hampshire allocated CARES Act funds (\$2,660,468 after adjustments for NOAA, ASMFC, and NHFG administration fees) within each of the four affected seafood sectors: commercial, aquaculture, charter/for-hire fishing, and seafood processing. Remaining or future CARES funds will be distributed to infrastructure projects or marketing programs. See Budget Section.

4. Approach:

A) General Approach:

The New Hampshire Fish and Game Department's Marine Division (NHFG) will be working through the ASMFC to finalize the New Hampshire CARES Act fisheries/seafood relief spend plan to be submitted and approved by NOAA Fisheries. The New Hampshire Spend Plan will be developed through a public process with industry participation.

The NHFG has participated in several congressional disaster relief packages over the past 30 years which included involving the affected fishing industries through a public process. However, due to the COVID-19 precautions a large public participation meeting of the industry was not possible,

therefore the NHFG assembled four small sector-based work groups to develop a strawman spend plan for each sector (aquaculture, for-hire, commercial saltwater and lobster, and seafood processors/dealers). In addition, an Advisory work group was developed to review the spend plan, help resolve concerns with the industry, and guide through approval and remaining industry’s qualification and appeal processes.

The sector-work groups each developed a strawman spend plan, NHFG sent the workgroup’s strawman spending plan to the NH 2020 licensed industry in a survey platform for the industry, as a whole, to comment. An infrastructure and marketing work group was comprised of members from each of the sector work groups to determine a priority list of projects and programs to fund with additional funds. The individual spend plans were assembled in one overall Spend Plan, reviewed by the Advisory work group, and submitted to ASMFC and NOAA for approval. Once the Spend Plan is approved, NHFG will work with the NH seafood industry in qualifying individuals or businesses for the available funds, then ASMFC will distribute the funds to the qualified industry.

B) General Qualifying Criteria:

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

- Are 18 years or older at the time of application submission
- Are a resident of New Hampshire.
- Hold the appropriate state and/or federal license(s)/permits in one or more of the four sectors during 2020 and the previous 5 years or active years if fishery-related revenues did not entail the previous 5-year period. Must have been in business for at least one year.

C) Specific Qualifying Criteria:

- Each seafood-based sector will identify the specific period of impacts for COVID-19 revenue loss, see individual *Proposed Sector-Based Spend Plans* below.
- NHFG will prequalify some applicants that have verifiable dealer or Vessel Trip Report (VTR) data from mandatory reporting requirements in fisheries. Applicants with no verifiable mandatory reporting data (e.g., seafood processors, state-only charter businesses) will self-certify, which NHFG will review submitted documents (i.e., tax records) to determine eligibility.

Proposed Sector-Based Spend Plans:

Each Sector met twice; once to develop the draft strawman spend plan and a second meeting to review survey results from the industry to develop the final sector-based spend plan. The NOAA Fisheries sector-based revenue allocation was presented at each Sector meeting with an approximate amount of funds the Sector had to spend (Table 1). The Commercial Fishing Sector was further divided to reflect the amount of funds to the three major fisheries occurring in NH within the Commercial category based on percentage of landings revenue from the previous 5 years, with the exception of the Aquaculture category where the previous 4 years was used.

Table 1. Percentage of total annual revenue for each fishing sector qualified for initial CARES Act funding and applied commercial proportional percentages.

Seafood Sectors	% to Sectors
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1) Commercial	40.10%	5-yr avg (2015-2019)*
Lobster		93%
Saltwater		6%
Aquaculture*		1%
2) For-Hire	4.30%	
3) Seafood (Processors/Dealers)	55.60%	
4) Infrastructure/Marketing	Remaining funds	

*Four-year average (2016-2019) for Aquaculture sector due to mandatory reporting standards initiated in 2016.

1) Commercial Sector (allocation equals 40.1% of NH’s CARES package after administrative costs):

The three categories of commercial fisheries in NH represent: 1) lobster and crab, 2) aquaculture, and 3) all other commercial saltwater fisheries (e.g., groundfish, scallops, etc.) landings gross revenue. To determine the breakdown of funds to be distributed to commercial fisheries in NH, the NHFG assessed the percent landings based on the five-year average of landings between these sectors (Table 2) and applied those percentages to the total funds to the Commercial sector. Distribution of the Commercial Sector’s portion will be proportional to the individuals/businesses loss in 2020 in gross revenue.

Table 2. Percent of commercial fisheries landings gross revenue based on the 5-year average between 2015 and 2019 of the three sectors of commercial fisheries; lobster/crab, aquaculture, and other seafood.

	2015	2016	2017	2018	2019	2020	5-year avg %
Lobster and Crab \$	\$24,637,764	\$29,723,277	\$31,848,563	\$35,488,032	\$35,665,380	\$5,964,079	
Lobster and Crab %	93.19%	94.58%	93.45%	93.97%	94.25%	96.99%	93%
Other Commercial \$	\$1,799,766	\$1,701,863	\$2,232,944	\$2,275,752	\$2,175,717	\$185,197	
Other Commercial %	6.81%	5.39%	6.50%	5.98%	5.69%	2.98%	6%
Aquaculture \$	\$0	\$140,495	\$254,212	\$322,523	\$401,304	\$56,594	
Aquaculture %		0.45%	0.74%	0.85%	1.05%	0.91%	1%

A) Aquaculture Spend Plan:

Due to mandatory reporting of aquaculture sales initiating in 2016, a four-year average (2016-2019), instead of 5-year average, was used to determine the percent of gross revenue from the aquaculture sector compared to the other commercial fisheries in NH.

- **Preliminary allocation** for this Commercial sector: 1% of commercial sector allocation (40.1%) after administrative costs.
- **Payout:** Direct payment to individual or business.
- **Eligibility:** When individual or business experiences >35% loss in gross revenue from previous reported 4-year average gross revenue, or less if not in business for four years. Must have been in business for at least one year.
- **2020 Cumulative timeframe for evaluation of lost revenue:** March 1, 2020 – July 31, 2020.

B) Commercial Saltwater:

The commercial saltwater category of the Commercial Sector encompasses any seafood landed commercially that was not an aquaculture product or from the lobster and/or crab fishery.

- **Preliminary allocation** for this Commercial sector: 6% of commercial sector allocation (40.1%) after administrative costs.
- **Payout:** Direct payment to individual or business.
- **Eligibility:** When individual or business experiences >35% loss in gross revenue from previous reported 5-year average gross revenue, or less if not in business for five years. Must have been in business for at least one year.
- **2020 Cumulative timeframe for evaluation of lost revenue:** February 1, 2020 – June 30, 2020.

C) Commercial Lobster and Crab:

The commercial lobster and crab category of the Commercial Sector encompasses only lobster or crab landed commercially in NH.

- **Preliminary allocation** for this Commercial sector: 93% of commercial sector allocation (40.1%) after administrative costs.
- **Payout:** Direct payment to individual or business.
- **Eligibility:** When individual or business experiences >35% loss in gross revenue from previous reported 5-year average gross revenue, or less if not in business for five years. Must have been in business for at least one year.
- **2020 Cumulative timeframe for evaluation of lost revenue:** March 1, 2020 – July 31, 2020.

2) For-Hire Fishing Industry (4.3% of NH's CARES package after administrative costs):

The For-Hire industry encompasses both party and charter (6 or less customers) vessels. All the party boats and some charter vessels that are licensed in NH also have federal permits which has mandatory reporting standards. Those charter vessels that fish in state waters only, have no federal permit, therefore no reporting requirements. While all vessel owners will need to self-certify for the >35% loss, the state-only For-Hire vessels will self-certify their gross revenue without supporting data from reporting requirements. The distribution formula from the workgroup's recommendation is to assign a value to the loss in trips or anglers by using 2020 angler ticket prices for party boats or trip rates for charter boats as taken from company websites or direct communication with the company from March through May for those federally permitted. If no data were available through websites or attempted direct communication, an average for that vessel type (party or charter) will be applied. For party boats, the number of anglers reported on federal vessel trip reports will be multiplied by the ticket price to determine values. Those not federally permitted, therefore no verifiable data, will self-certify of loss value during March through May. The payout will be proportional to the loss in 2020 for qualified individuals or businesses.

- **Preliminary allocation:** 4.3% of NH's allocation after administrative costs
- **Payout:** Direct payment to individual or business.

- **Eligibility:** When individual or business experiences >35% loss in gross revenue from previous reported 5-year average gross revenue, or less if not in business for five years. Must have been in business for at least one year.
- **2020 Cumulative timeframe for evaluation of lost revenue:** March 1, 2020 – May 31, 2020.

3) Seafood - Processors and Dealers, inclusive of wholesalers and distributors (55.6% of NH's CARES package after administrative costs):

The Seafood Sector industry encompasses the NH resident seafood processor and dealer businesses. Distribution of the Seafood Sector's portion will be proportional to the businesses loss in 2020 in gross revenue.

- **Preliminary allocation:** 55.6% of NH's allocation after administrative costs
- **Payment:** Direct payment to individual or business.
- **Eligibility:** When individual or business experiences >35% loss in gross revenue from previous reported 5-year average gross revenue, or less if not in business for five years. Must have been in business for at least one year.
- **2020 Cumulative timeframe for evaluation of lost revenue:** March 1, 2020 – June 30, 2020.

4) Infrastructure Projects:

A small work group consisting of members from the sector work groups considered a variety of Infrastructure projects and marketing programs to improve infrastructure for the seafood industry market businesses or product that was affected during the pandemic or improve resiliency to the seafood industry's marketability and ability to conduct business. This proposed project is based on the reallocation amount of \$100,000 received from ASMFC's redistribution of unused CARES Act funds. The first selected project of high need will utilize the dedicated funds by June 30, 2022.

- **Infrastructure Projects:**

1. Yankee Fishermen's Cooperative (YFC) – The YFC supports both the lobster and commercial saltwater fishing community primarily in the southern NH coast. Its primary market pre-pandemic was as a dealer for landed product with a small retail storefront. Due to the pandemic, the loss of the larger domestic and international wholesale markets, and resulting continued local seafood demand there continues to be a greater need on the YFC retail store. To continue to meet local demands and improve the diversified resiliency there are more permanent infrastructure improvements needed. Such as, but not limited to, increase the building retail capacity, number of lobster holding tanks, generator to maintain product with loss of power, vacuum sealer, steamer, etc. As the current facility is holding more seafood product (e.g., live lobster) for the expanding retail market any loss of power would lead to product loss, therefore, a generator is needed to assure of no loss of product (See Table 1). This purchase will start the improvements needed to provide resiliency to this local seafood market and its associated fishing community as the long-lasting effects of the pandemic continue to change local seafood market needs. A contract will be signed between the NHFGD and the contractor for services rendered (e.g., preorder payment) and product received.

CARES Sectors that will benefit: NH southern coast Commercial and Seafood Dealers/Processors

Table 1: Building Infrastructure resiliency with improvements due to changed market demand.

Yankee Fishermen's Cooperative	Estimates
Generator	
Generator Connection: <ul style="list-style-type: none"> • Purchase of Winco 250KW Standby Diesel Generator and 24 hour sub-base fuel tank. 	\$100,000.00

D. *Payment distribution:*

1) Application process:

- Announce NH’s Spend Plan and qualifying period and parameters to the fishing industry through public media and NHFG website.
- Notify all pre-qualifiers of their eligibility based on federal CARES Act grant guidelines and available dealer reported statistics.
- NHFG will provide all participants with an affidavit and application form, to be completed and submitted to NHFG to qualify for funds.
 - Applications will be available for download from NHFG’s CARES Act website, or picked up at NHFG’s Region 3 Office in Durham, NH.
 - Applications must be submitted as a hard copy at NHFG’s Region 3 Office in Durham, NH.
- NHFG will publish a firm, 15-day application period. Applications received after the published due date will not be reviewed or considered.

2) Self-Certification of applicants:

- Each applicant will self-certify (regardless of prequalification process):
 - Have experienced a >35% revenue loss for the sector specific period indicated, caused by seafood fisheries related COVID-19 impacts in 2020, relative to a previous 5-year average revenue for the same period, or active years (more than one year) if fishery-related revenues did not entail the previous 5-year period.
 - The data source(s) used to quantify revenue loss with submittal of valid documents (e.g., tax documents), if different from revenue determined by NHFG through the prequalification using mandatory dealer reported data or trip/angler data from VTR’s for the For-Hire Sector. The application will include information indicating documentation must be held for at least 3 years including documentation that supports the self-certification of >35% loss.
 - Will not be made more than whole in 2020 through the sum of this funding, any additional COVID-19 related federal financial assistance and/or any traditional revenue when compared to the average annual revenue earned across the previous 5 years.
 - Identification and quantification of any/all direct assistance received from other CARES Act funding packages (i.e., small business and PPP loans), through the date of

submission of the application, or certain to be received subsequent to the submission of the application.

- Not in violation of any federal laws as required by a federal affidavit.

3) Verification of applications:

- NHFG will review all applications within two weeks of receipt:
 - To assure a complete application.
 - To assure the applicant meets the minimum thresholds and qualifications to receive aid.
 - To determine eligibility and qualify applicants based on verified self-certified information.

4) Appeal process:

If an applicant does not meet the qualifications or does not agree with NHFG's final determination for CARES Act funds, NHFG will allow an appeal to be addressed in a two week period after close of the application process and prior to the calculation of individual payments. The applicant must submit a letter detailing the rationale for an appeal consideration based on the original submitted application and documentation. The Advisory work group will assist NHFG in reviewing appeals. The applicant will be notified of the appeal decision. Appeals will not be accepted for applications received after the published application due date.

5) Distribution of Funds:

The For-Hire applicants that have verifiable angler and trip information (federal permittees with mandatory reporting requirements) will have an assigned value to the loss in trips or anglers with ticket prices/charter rates from March through May for those federally permitted (see Spend Plan Section 2 above for more detail). Those not federally permitted, therefore no reported data, will self-certify of loss value during March through May. The payout will be proportional to the loss in 2020 for qualified individuals or businesses but not to exceed their previous 5-year average revenue (not made more than whole).

The Commercial and Seafood Processor/Dealer applicants will receive a portion of that Sector's relief funds proportional to the revenue loss in 2020 as compared to their previous 5-year average during specific months specified above. However, not to exceed their previous 5-year average revenue (not made more than whole).

Businesses or individuals may qualify for multiple sectors and, as such, would be allowed to apply in each qualifying sector.

Each successfully qualified applicant will be assigned a direct payment based on the formulated proportional distribution from each Sector's allocation as described in each proposed Sector-Based Spend Plan. NHFG will provide to ASMFC; a spreadsheet of qualified applicants, addresses, pertinent individual tax information, amount to be directly paid, and copies of applications and affidavits, etc.

If there are funds not utilized by a Sector, due to the “more than whole rule”, the remaining funds from that Sector will be distributed equally among the remaining qualified applicants in the other Sectors.

Infrastructure projects and Marketing programs will be paid upon obtaining receipts for approved purchases and/or work or entering into contracts to assure the CARES funding is utilized for its intended purpose.

No payments will be made or held for projected losses.

5. Expected Benefits:

Provide CARES Act funds to NH’s commercial and for-hire fishing community and seafood distribution industry for relief of economic losses experienced due to the COVID 19 global and domestic pandemic impacts. This aid will not make NH’s fishery-related businesses whole from their COVID-19 losses, but will provide relief until a time when the economy and lifted restrictions can support normal seafood product distribution.

6. Milestone Schedule:

Tasks – 2020-2021	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Spend Plan Development										
Sector and Advisory Meetings			X	X	X					
Data processing		X	X	X	X	X	X	X	X	
Applications/Qualifying Process								X	X	X
Appeals Process									X	X
Distribution of Funds									X	X

Tasks - 2022	Feb	Mar	Apr	May	Jun
Infrastructure/Marketing					
Amended Spend Plan Development	X	X	X		
NHFG/YFC contract/MOA development			X	X	
Delivery of product					X

7. Geographic Location:

New Hampshire residents and businesses in seafood production and fishing industry.

8. Cost Summary (Budget):

Project Budget Summary:

1. NHFG will set aside \$50,200 to cover NHFG administrative costs for the program which includes three NHFG staff time involvement, fringe benefits, and indirect costs and supplies.
2. NHFG will allocate the remaining \$2,660,468 of NH’s allocation among the qualified individuals and businesses in the four sectors.

3. NHFG will work with ASMFC to distribute the sector-based allocation of CARES Act funds to NH’s seafood industry based on the Sec. 12005 allocation percentages determined by NOAA Fisheries (Attachment B).

NH CARES Act Allocation	\$2,732,492
NH CARES Act allocation after NOAA/ASMFC Administrative costs	\$2,710,668
Redistributed ASMFC CARES Act funds to NH- 2022	100,000
NH Administration	\$50,200
NHFG Personnel (Chief, Biologist 2, Biologist 1)	\$27,800
Fringe (34.53%, 50.78%, and 75.98%)	\$14,000
Indirect (19.76% of personnel and fringe)	\$8,200
Supplies (applications/envelops/mailing)	\$200
Direct payment to CARES relief recipients	\$2,660,468
Infrastructure Projects/Marketing Programs	\$100,000
Total	\$2,810,668

9. Appendices:

- States Apportionment (with administrative fees)
- Allocations by Sector
- Guidance Letter from NOAA to ASMFC

Attachment A: Summary of CARES Act Allocations of Atlantic coast States.

State	Allocation of Sec, 12005 Funding
Maine	\$20,146,310
New Hampshire	\$2,710,668
Massachusetts	\$27,780,507
Rhode Island	\$3,267,923
Connecticut	\$1,820,764
New York	\$6,696,362
New Jersey	\$11,247,242
Pennsylvania	\$3,341,184
Delaware	\$992,013
Maryland	\$4,092,171
Virginia	\$4,484,370
North Carolina	\$5,416,773
South Carolina	\$1,513,451
Georgia	\$1,906,483
Florida (both east and west coasts)	\$23,447,815
<p><i>* State allocations in the above table have been adjusted to account for administration fees as allowed under the CARES Act. NOAA Fisheries' administrative fees (~0.7%) and the Atlantic States Marine Fisheries Commission's administrative fees (0.1%) are significantly below the CARES Act maximum fee of 2%. These fees will be used to reimburse expenses for the allocation and distribution of the funding.</i></p>	

Attachment B: Sec. 12005 Sector-Based Revenue Allocation per State

Sec. 12005 Allocation: Sector-Based Revenues

NOAA Fisheries is providing this data for informational purposes only. Please note that states, Tribes, and territories are not obligated to utilize this data when developing their spend plans for their allocated Sec. 12005 funds. Specifically, allocated funds are not required to be distributed based on the proportions outlined below, as the number of eligible fishery participants across sectors may vary based on the CARES Act requirement that fishery participants must have incurred a 35% economic revenue loss or negative impacts to subsistence, cultural, or ceremonial fisheries in order to be eligible for Sec. 12005 funds.

Entity	Percentage of Total Annual Revenue (All Sectors)			Tribal Commercial Fishing, Aquaculture & For Hire	Allocation
	For-Hire Fishing	Commercial Fishing and Aquaculture	Seafood Sector		
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
Louisiana	11.4%	74.2%	14.4%		\$14,785,244
New Jersey	6.0%	64.2%	29.8%		\$11,337,797
Texas	10.6%	64.3%	25.1%		\$9,237,949
New York	11.6%	31.4%	57.1%		\$6,750,276
North Carolina	24.0%	64.2%	11.8%		\$5,460,385
Federally Recognized Tribes on the West Coast				100.0%	\$5,097,501
Virginia	4.9%	52.8%	42.3%		\$4,520,475
Hawaii	13.8%	69.4%	16.8%		\$4,337,445
Maryland	13.0%	42.2%	44.8%		\$4,125,118
Pennsylvania	0.0%	0.0%	100.0%		\$3,368,086
Alabama	25.9%	46.3%	27.7%		\$3,299,821
Rhode Island	3.5%	68.0%	28.5%		\$3,294,234
New Hampshire	4.3%	40.1%	55.6%		\$2,732,492
American Samoa	0.0%	8.0%	92.0%		\$2,553,194
Georgia	4.8%	23.5%	71.8%		\$1,921,832
Connecticut	6.4%	41.9%	51.7%		\$1,835,424
Mississippi	16.2%	51.9%	31.9%		\$1,534,388
South Carolina	46.4%	45.2%	8.4%		\$1,525,636
Delaware	9.1%	50.3%	40.6%		\$1,000,000
Puerto Rico	20.8%	42.1%	37.2%		\$1,000,000
United States Virgin Islands	27.8%	38.4%	33.9%		\$1,000,000
Federally Recognized Tribes in Alaska*				100.0%	\$1,000,000
Guam	0.0%	53.1%	46.9%		\$1,000,000
Commonwealth of the Northern Mariana Islands	0.0%	53.1%	46.9%		\$1,000,000

*Encompasses the only Federally-recognized Tribe in the state with a Tribally managed commercial fishery

Attachment C: NOAA Cares Act distribution guidance



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration NATIONAL
MARINE FISHERIES SERVICE
Silver Spring, MD 20910

Mr. Robert Beal
1050 N. Highland Street Suite
200 A-N Arlington, VA 22201

Dear Mr. Beal,

Sec. 12005 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) authorizes the Secretary of Commerce (Secretary) to provide \$300 million in appropriated funds to assist fishery participants affected by the novel coronavirus (COVID-19). (See below for complete text). Given the definition of “fishery participant” identified in Sec. 12005 of the CARES Act, the National Marine Fisheries Service (NOAA Fisheries) used readily available total annual revenue information from the commercial fishing, charter fishing, aquaculture, and processor sectors of coastal states, Tribes, and territories to allocate Sec. 12005 funding. NOAA Fisheries also took into consideration negative impacts to subsistence, cultural, and ceremonial fisheries during the allocation process.

BACKGROUND AND PROCESS:

NOAA Fisheries has determined that the Atlantic States Marine Fisheries Commission will be a recipient of \$118,983,017 for the purpose of assisting fishery participants affected by COVID-19 in the Atlantic States. NOAA Fisheries will provide you with these funds, after we receive, review, and approve a grant application. Your grant application must reflect the appropriate use of funds and considerations as outlined here, in the allocation table (see attachment) and consistent with the requirements of the CARES Act. Your award will include a special award condition that will require you to develop a detailed spend plan for sub-awards with the states for NOAA Fisheries review before you may disburse funds to sub-awardees for the purpose of providing assistance to fisheries participants. Funds may be expended for administrative processes of the grantee, as well as to sub-awardees for the purpose of economic analyses that may be necessary for a detailed spend plan.

Section 12005 of the CARES Act defines “fishery participants” to include Tribes, persons, fishing communities, aquaculture businesses not otherwise eligible for assistance under part 1416 of title 7 of the Code of Federal Regulations for losses related to COVID-19, processors, or other fishery-related businesses, who have incurred, as a direct or indirect result of the coronavirus pandemic:

- (1) economic revenue losses greater than 35 percent as compared to the prior 5-year average revenue (2015-2019); or
- (2) any negative impacts to subsistence, cultural, or ceremonial fisheries.

REQUIRED CONTENTS

In addition to the requirements outlined in the GrantsOnline application portal, your application for this award must:

- Describe how you will identify and determine fishery participants eligible for funding. For the purposes of carrying out the provisions in Section 12005 of the CARES Act, “fishery-related businesses” are limited to commercial fishing businesses, charter/for-hire fishing businesses, qualified aquaculture operations, processors, and dealers.
 - NOAA does not consider businesses farther down the supply chain (e.g., vessel repair



businesses, restaurants, or seafood retailers) “fishery-related businesses” for the purposes of this funding. While NOAA Fisheries generally does not expect bait and tackle operations and gear and vessel suppliers to be eligible for Section 12005 funding, individual states, Tribes, and territories will have the discretion to determine how they will identify eligible fishery participants, consistent with the requirements of the CARES Act, in their spend plans.

- o Qualified aquaculture operations include privately owned aquaculture businesses growing products in state or federal marine waters of the United States and the hatcheries that supply them. This includes all molluscan shellfish and marine algae. Non-salmonid marine finfish grown in marine waters not covered by USDA are also included.
 - o All eligible participants must, consistent with the requirement under Section 12005 of the CARES Act, have incurred economic revenue losses greater than 35 percent as compared to the applicable prior five year average revenue (2015-2019) or negative impacts to subsistence, cultural, or ceremonial fisheries.
 - o Entities that have been in business less than five years are still eligible for assistance. If needed, NOAA Fisheries can provide revenue loss estimates and five year average revenue estimates in each state. Participants can only be eligible for assistance from their state/territory of residence.
- Describe the main categories for funding by state as applicable (e.g., direct payments, fishery-related infrastructure, fishery-related education) that address direct and indirect COVID-19 impacts to commercial fishermen, charter businesses, qualified aquaculture operations, subsistence/cultural/ceremonial users, processors, and dealers.
 - Direct payments are expressly allowed by the CARES Act. However, applications must address direct payments as follows:
 - o Direct payments may not be directed to minors.
 - o Funds cannot be used to compensate state, local, or tribal governments for lost municipal or government tax revenue.
 - o Funds must be used to address fishery-related direct or indirect losses or subsistence/cultural/ceremonial impacts.

Your application should also, if applicable, identify funds available from other Federal programs for disaster relief and describe the process you use to coordinate across Federal assistance programs from multiple agencies. While eligible fishery participants under this award may apply for other Federal assistance programs under the CARES Act or other Federal programs, they should not apply to other Federal programs for assistance to address the same impacts resulting from COVID-19. Funds provided by NOAA under this award shall not be used for activities for which the recipient has received Federal or other funds. DOC will not pay for costs that are funded by other sources (Department of Commerce, Standard Terms and Conditions, Other Federal Awards with Similar Programmatic Activities, Section A.03).

As soon as possible, please have a member of your staff contact Daniel Namur from the Fisheries Financial Assistance Division to begin the grant application process via the grants.gov website. You may contact him at 301-742-7475 or Dan.Namur@NOAA.gov.

We look forward to working with you to expedite the distribution of this much needed assistance to the affected fishing industry and affiliated constituents.

Sincerely,

Paul N. Doremus
Deputy Assistant Administrator for Operations at NOAA Fisheries