

Introduction

The Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law on March 27, 2020 authorized the U.S. Secretary of Commerce to provide \$300 million of economic assistance to marine fishery participants impacted by the COVID-19 pandemic. On May 7, 2020, the Secretary of Commerce announced the planned allocations of the CARES Act Assistance to Fishery Participants (CAAFP) aid to states, Tribes, and territories. Connecticut was notified that its allocation of CAAFP aid was \$1,835,424, disbursement of which is contingent upon approval of a “spend plan” by the National Oceanic and Atmospheric Administration (NOAA). The draft spend plan below details the manner in which the Connecticut Department of Energy and Environmental Protection (DEEP) and Connecticut Department of Agriculture (DOAG) propose to distribute the CT CAAFP aid funds to qualified applicants who participate in eligible marine fishery sectors. To qualify for CAAFP aid, applicants must participate in the commercial fishing, for-hire fishing, seafood dealing, or aquaculture sectors, and have suffered at least a 35% loss in revenue as compared to the prior 5-year average (2015-19).

DEEP and DOAG are providing this draft spend plan to participants in eligible sectors to gather public feedback on the proposed approach. Following the public feedback period, DEEP and DOAG will consider public input received and may choose to modify the spend plan. The spend plan will ultimately be submitted to NOAA for review; upon NOAA approval, DEEP and DOAG will make CAAFP aid applications available to sector participants. It is not possible for DEEP or DOAG to predetermine individual CAAFP disbursements, as individual disbursements will be dependent upon the number of applicants within each sector and their attributes (e.g. annual income derived from fishing, number of vessels owned).

General Application and Eligibility Criteria

- To receive CAAFP aid from Connecticut, all applicants must:
 - Provide proof of residency in Connecticut.
 - Be a licensed commercial fisherman, licensed for-hire fisherman, a licensed seafood dealer, or own a qualifying licensed aquaculture business in Connecticut.
 - “Qualifying aquaculture businesses” are those businesses growing products in state or federal marine waters, and hatcheries that supply such businesses. This includes all businesses that culture molluscan shellfish and marine algae. Businesses that grow non-salmonid marine finfish in marine waters that are not eligible for USDA aid are eligible for CAAFP.
 - See further detail below on sector-specific eligibility criteria.
 - Submit an affidavit that:

- Self-certifies that the applicant has suffered at least a 35% loss in personal income from commercial fishing, operation of a for-hire vessel, seafood dealing, or operation of a qualifying licensed aquaculture business as a direct or indirect result of the COVID-19 pandemic during the months or “Application Periods” in question, relative to their five-year average income during those same months in 2015-19.
 - “Personal income” is defined as gross income (pre-tax) reported on the individual’s tax filings for a particular year. For purposes of determining CAAFP eligibility, applicants may only consider income derived from commercial fishing, operation of a for-hire vessel, seafood dealing, or operation of a qualifying licensed aquaculture business.
 - See further detail below on Application Periods and on quantifying income loss during the Application Period.
- Quantifies the total commercial fishing, for-hire fishing, seafood dealing, and aquaculture personal income lost in 2020 during the Application Period in question as a direct or indirect result of the COVID-19 pandemic, relative to the five-year average personal income during those same months in 2015-19.
 - See further detail below on quantifying income loss during the Application Period.
- Discloses the amount and source of any other aid that the applicant has received in 2020 to offset COVID-19 related losses.
 - No applicant may receive a CAAFP aid disbursement in excess of their personal income loss during the Application Period relative to their five-year average personal income during those same months in 2015-19. DEEP and DOAG will take into consideration any other COVID-19 related aid that the applicant has received during the Application Period when determining the applicant’s CAAFP aid disbursement, such that the sum of all aid received by the applicant does not exceed their personal income loss during the Application Period, relative to their five-year average personal income during those same months in 2015-19.
- Discloses whether the applicant has applied for CAAFP aid from any other State, Tribe, or Territory.
 - The application affidavit will include acknowledgement that the information provided is subject to verification/audit by either the State of Connecticut or the United States Department of Commerce.
 - CAAFP aid disbursements may not be made to minors. CAAFP aid disbursements will also not be made to any individual or business that owes a debt to the federal government.

Sector-Specific Eligibility Criteria

Qualifying Licenses

Applicants must hold at least one of the following licenses (hereafter referred to as “qualifying licenses”) in 2020, and must have also held at least one of the following licenses in 2019. Applicants will be asked to indicate which qualifying licenses they hold in 2020 and held in 2019; DEEP and DOAG will verify.

- **Commercial Fishermen**

- Principal Commercial Fishing License
- Commercial Lobster Pot Fishing License
- General Commercial Fishing License
- Horseshoe Crab Hand Harvest License
- Commercial Shad Fishing License
- Commercial Whelk Fishing License
- Marine Commercial Bait Fishing License
- Commercial Landing Vessel Operator’s License
- Commercial Fishing Vessel Permit (applicant must be registered owner of the permitted vessel).
- Restricted Commercial Fishing License
- Restricted Commercial Lobster Pot Fishing License
 - Any commercial fisherman who held a limited access fishing license (Principal, Commercial Lobster Pot, or General Commercial) in 2019, but does not hold any limited access fishing license in 2020, may use a 2020 open access fishing license to qualify for CAAFP aid, provided that they also held that open access fishing license in 2019, or obtained that open access license in 2020 prior to July 2.

- **For-Hire Fishermen**

- Connecticut Party/Charter Registration (applicant must be registered owner of vessel holding the Party/Charter Registration)
- Registered Connecticut Guide and United States Coast Guard (USCG) Captain’s License (OUPV or Master’s License).

- **Seafood Dealers**

- Applicant must be owner or operator of a seafood dealing business that purchases seafood landed in Connecticut by Connecticut-licensed commercial fishermen and reports such seafood purchases under a Connecticut Seafood Dealer’s License.

- **Aquaculture**

- Shellstock Shipper I License Harvest and Relay

Qualifying History

Applicants must meet the following requirements relative to past activity pursuant to their qualifying license(s) (hereafter referred to as “qualifying history”). Applicants will be asked to affirm that they meet qualifying history requirements; DEEP and DOAG will verify. Because there are no effort or landing reporting requirements for for-hire fishermen in Connecticut, there are no qualifying history requirements for this sector.

- **Commercial Fishermen**

- Applicants must have reported fishing effort and landings in Connecticut associated with a qualifying license in at least 3 of the last 5 years (2015-19).
 - When verifying an applicant’s qualifying history, DEEP will only consider fishing effort and landings reported prior to July 2, 2020.

- **Seafood Dealers**

- Seafood dealing business owned or operated by the applicant must have reported purchasing seafood landed in Connecticut by Connecticut-licensed commercial fishermen in at least 3 of the last 5 years (2015-19).

- **Aquaculture**

- Applicant must have reported commercial shellfish sales in both 2018 and 2019.

Qualifying Income

Applicants must meet the following requirements relative to their past annual personal income derived from participation in one of the qualifying sectors (hereafter referred to as “qualifying income”). Annual personal income is defined as annual gross income (pre-tax) reported on the individual’s tax filings for a particular year. Applicants are required to self-certify via affidavit that they meet qualifying income requirements.

- **Commercial Fishermen**

- Applicants must have earned at least 20% of their annual personal income from sale of seafood or bait harvested using a qualifying license(s) in at least 3 of the last 5 years (2015-19). Income received in exchange for transfer of a limited access commercial fishing license cannot be included in determination of qualifying income.

- **For-Hire Fishermen**

- Applicants must have earned at least 20% of their annual personal income from operation of a for-hire vessel(s) (i.e. charter boat or headboat), or from work as a Connecticut Registered Guide conducting guided fishing trips in Connecticut state or federal marine waters, in at least 3 of the last 5 years (2015-19). Applicants using

income generated from operation of a for-hire vessel to meet the qualifying income criterion must have been the registered owner of the vessel and the vessel must have held a Connecticut Party/Charter Registration. DEEP will verify vessel ownership and Party/Charter Registration status for operators of for-hire vessels. DEEP will verify Registered Guide status and USCG license status for Registered Guides.

- **Seafood Dealers**
 - Applicants must have earned at least 20% of their annual personal income from sale of seafood landed in Connecticut by Connecticut-licensed commercial fishermen in at least 3 of the last 5 years (2015-19).
- **Aquaculture**
 - Applicants must have earned at least 50% of their annual personal income from commercial sales of shellfish cultivated and harvested in 2018 and 2019. The exceptions for qualifying history and income requirements listed below do not apply to the aquaculture sector.

Exceptions for Qualifying History and Income Requirements for Commercial Fishermen, For-Hire Fishermen, and Seafood Dealers

- If an applicant did not possess any qualifying license in 2015-2016, then the applicant must meet qualifying history and income requirements in at least 2 of the last 3 years (2017-19).
- If an applicant did not possess any qualifying license in 2015-2017, then the applicant must meet qualifying history and income requirements in at least 1 of the last 2 years (2018-19).
- If an applicant did not possess any qualifying license in 2015-18, then the applicant must meet qualifying history and income requirements in 2019.
- If an applicant's qualifying license was temporarily re-issued in 2015-19 to a member of the applicant's immediate family or crew pursuant to Sec. 26-142b(b) of Connecticut General Statutes, any fishing history and income associated with the re-issued license and accrued during the period of temporary re-issuance may be used to meet qualifying history and income requirements.

Application Periods and Deadlines

The following application period and associated deadline applies to **commercial fishermen, for-hire fishermen, and seafood dealers**.

Application Deadline for commercial fishermen, for-hire fishermen, and seafood dealers: August 15, 2020

- Applications for aid to offset losses suffered during **February 1 – July 31, 2020**.

The following application period and associated deadline applies to applicants from the **aquaculture** sector:

Application Deadline for aquaculture: August 15, 2020

Applications for aid to offset losses suffered during **March 1 – May 31, 2020**.

Quantifying Income Loss during the Application Period

- If a **commercial fisherman**, **for-hire fisherman**, or **seafood dealer** meets the general and sector-specific eligibility criteria detailed above, they should determine their personal income associated with their qualifying license(s) during the period February 1 – July 15 in each year of 2015-19, and take an average across all years. The applicant should then compare their income during the 2020 Application Period (February 1 – July 15) to the five-year average period income in 2015-19 to determine whether they meet the 35% income loss threshold and to quantify total income lost during the 2020 Application Period.
- If an **aquaculture** applicant meets the general and sector-specific eligibility criteria detailed above, they should determine their annual personal income associated with their qualifying license in each year of 2015-19, take an average across all years, and then divide that average annual income by 4 to estimate average quarterly (three-month) income. The applicant should then compare their income during the 2020 Application Period (March 1 – May 31) to the five-year average quarterly income in 2015-19 to determine whether they meet the 35% income loss threshold and to quantify total income lost during the 2020 Application Period.
- In the event that an applicant meets the general and sector-specific eligibility criteria detailed above, but earned an atypically low amount of income associated with their qualifying license(s) during some portion of 2015-19 due to hardship resulting from vessel breakdown/repairs, loss/damage of critical shore-side infrastructure, or temporary incapacitation, the applicant may exclude the period of hardship when calculating five-year average income, up to a maximum exclusion of 6 months total in 2015-19, provided the applicant held a qualifying license during those months. Suspension of a qualifying license is not grounds for hardship exemption. Also note that a hardship exemption can be claimed and applied to calculation of five-year average income, but may not be used when determining whether the applicant meets sector-specific qualifying history and income requirements.
- In the event that an applicant meets the general and sector-specific eligibility criteria detailed above, but did not hold any qualifying license during some portion of 2015-19, said period in which the applicant did not hold any qualifying license may be excluded from the calculation of five-year average income.
- If an applicant's qualifying license was temporarily re-issued in 2015-19 to a member of the applicant's immediate family or crew pursuant to Sec. 26-142b(b) of Connecticut General

Statutes, any income associated with the re-issued license and accrued during the period of temporary re-issuance may be used when calculating five-year average income.

- Income received in exchange for transfer of a limited access commercial fishing license cannot be considered when determining whether an applicant meets the 35% income loss threshold and quantifying total income lost during the 2020 application period.

Allocation of Aid to Applicants

Step 1: Set-aside for NOAA and ASMFC overhead, appeal reserve funds:

- The total CAAFP allocation to Connecticut is \$1,835,424. NOAA and ASMFC will retain 0.7% and 0.1% of the allocation, respectively, to cover overhead costs associated with administration of Connecticut CAAFP aid funds, yielding a revised allocation of \$1,820,740. DEEP and DOAG will hold 2% (\$36,414) of the revised allocation in reserve to cover potential appeals (see below for more details on Appeals Procedure). A total of \$1,784,326 is therefore available for immediate disbursement to applicants for CT CAAFP aid.

Step 2: Minimum payment

- Every applicant who meets the general and sector-specific eligibility criteria detailed above will receive a minimum payment of \$1,500, or the amount of their total personal income loss associated with their qualifying sector during the 2020 application period (or the aggregate personal income loss across multiple sectors during the 2020 application period for applicants that qualify for multiple sectors), whichever is greatest.
 - DEEP estimates that minimum payments will account for 25 – 65% of the total aid amount available, depending on the number of qualified applicants.

Step 3: Allocation of remaining funds among Sectors

- Aid funds remaining after accounting for minimum payments will be allocated among sectors using the Connecticut revenue percentages-by-sector determined by NOAA during the process of state-by-state allocation of CAAFP funds, with an adjustment to ensure a minimum and maximum sector allocation.
 - The Connecticut revenue percentages-by-sector reported by NOAA were:
 - For-Hire: 6.4%
 - Commercial Fishing and Aquaculture: 41.9%
 - Sub-dividing equally yields 20.95% for each sector
 - Seafood Dealing/Processing: 51.7%
 - These percentages will be adjusted to ensure a minimum sector allocation of 15% and a maximum sector allocation of 35%:
 - For-Hire: 15%
 - Commercial Fishing: 25%

- Aquaculture: 25%
- Seafood Dealing/Processing: 35%
 - This adjustment was accomplished via the following sequence:
 - Reducing the seafood dealing/processing allocation to 35% (maximum allocation), yielding 16.7 percentage points for re-distribution.
 - Increasing the for-hire sector to 15% (minimum allocation), an increase of 8.6 percentage points, leaving a remainder of 8.1 percentage points for re-distribution.
 - Re-distributing the remaining 8.1 percentage points equally to commercial fishing and aquaculture (4.05 percentage points each, yielding 25% for each sector).

Step 4: Allocation of remaining funds among Sector participants

- **Commercial Fishing**
 - **General Principles:**
 - Provided that there are available funds after completion of steps 1-3 above, all applicants who meet the sector-specific eligibility criteria will receive some payment additional to the minimum \$1,500 payment, provided that their total personal income loss associated with commercial fishing during the 2020 application period is greater than \$1,500.
 - Commercial fishermen who earn $\geq 50\%$ of their annual income from commercial fishing will receive a higher payment than those who earn $< 50\%$ of their annual income from commercial fishing.
 - Commercial fishermen will receive an additional payment for each commercial fishing vessel they own that holds a Connecticut Commercial Fishing Vessel Permit.
 - **Methods for Determining Additional Award Amounts:**
 - Applicants will be asked to indicate:
 - If they earned $\geq 50\%$ of their annual income on average from commercial fishing associated with a qualifying license type(s) in 2015-19. The guidelines provided above for calculation of five-year average income should be applied here as well (hardship exemption, years in which the applicant did not hold a license, temporary re-issuance). Applicants are required to self-certify via affidavit their statement on average percentage of income derived from commercial fishing in 2015-19.
 - How many commercial fishing vessels they own that hold 2020 Connecticut Commercial Fishing Vessel Permits, and also held such permits in 2019.
 - For a given application period, let:

- X = total remaining aid amount available for commercial fishing.
- Y = total number of qualified applicants who earned $\geq 50\%$ of their annual income from commercial fishing in 2015-19.
- Z = total number of qualified applicants who earned $< 50\%$ of their annual income from commercial fishing in 2015-19.
- B = total number of qualified fishing vessels among all applicants.
- **Step 1:** Solve for an award amount A , such that applicants who earned $< 50\%$ of their annual income from commercial fishing will receive the amount A , while applicants who earned $\geq 50\%$ of their annual income from commercial fishing will receive an amount $= 1.5 * A$, and also such that the total amount awarded in Step 1 is equivalent to $2/3$ of the overall remaining aid amount available (i.e. $2/3 * X$).
- So: $(Y * 1.5A) + (Z * A) = 0.67X$; once X , Y , and Z are known, solve for A
- **Step 2:** Each qualified applicant will receive an additional amount of aid for each qualified fishing vessel they own. Solve for an award amount C , such that $C = (0.33X) / B$. Qualified applicants receive the additional award amount C for each qualified fishing vessel they own.

- **For-Hire Fishing**
 - **General Principles:**
 - Provided that there are available funds after completion of steps 1-3 above, all applicants who meet the sector-specific eligibility criteria will receive some payment additional to the minimum \$1,500 payment, provided that their total personal income loss associated with for-hire fishing during the 2020 application period is greater than \$1,500.
 - Operators of inspected vessels or “headboats” will receive a higher payment than operators of uninspected “6-pack” vessels and registered guides.
 - 6-pack operators and registered guides who earn $\geq 50\%$ of their annual income from for-hire fishing will receive a higher payment than 6-pack operators and registered guides who earn $< 50\%$ of their annual income from for-hire fishing.
 - Operators of headboats and 6-pack vessels will receive an additional payment for each for-hire vessel (regardless of whether it is a headboat or 6-pack vessel) they own that holds a Connecticut Party/Charter Registration.
 - **Methods for Determining Additional Award Amounts**
 - Applicants will be asked to indicate:
 - If they operate a headboat (DEEP will verify).
 - If they operate a 6-pack vessel or are a registered guide with a USCG Captains License (OUPV or Masters License), and a) earned $\geq 50\%$ of their total annual income on average from for-hire fishing in 2015-19, or b) earned $< 50\%$ of their total annual income on average from for-hire fishing in 2015-19. The guidelines provided above for calculation of five-

year average income should be applied here as well (hardship exemption, years in which the applicant did not hold a license).

Applicants are required to self-certify via affidavit their statement on average percentage of income derived from for-hire fishing in 2015-19.

- Note that the three categories listed above (headboat operator, 6-pack operator or registered guide with $\geq 50\%$ annual income from for-hire fishing, 6-pack operator or registered guide with $<50\%$ annual income from for-hire fishing) are intended to be mutually exclusive. Any headboat operator who also operates 6-pack vessels should identify themselves as a headboat operator.
- How many for-hire fishing vessels (regardless of whether they are headboats or 6-pack vessels) they own that hold 2020 Connecticut Party/Charter Registrations, and whether those vessels also held such registrations in 2019.
- For a given application period, let:
 - X = total remaining aid amount available for for-hire fishing.
 - Y = total number of qualified applicants who operate 6-pack vessels or are registered guides with a USCG Captains License, and earned $\geq 50\%$ of their annual income from for-hire fishing in 2015-19.
 - Z = total number of qualified applicants who operate 6-pack vessels or are registered guides with a USCG Captains License, and earned $<50\%$ of their annual income from for-hire fishing in 2015-19.
 - H = total number of qualified applicants who operate headboats.
 - B = total number of qualified for-hire fishing vessels (headboats or 6-pack boats) among all applicants.
- Step 1: Solve for an award amount A , such that 6-pack operators or registered guides who earned $<50\%$ of their annual income from for-hire fishing will receive the amount A , 6-pack operators or registered guides who earned $\geq 50\%$ of their annual income from for-hire fishing will receive an amount = $1.5 * A$, headboat operators will receive an amount = $3 * A$, and also such that the total amount awarded in Step 1 is equivalent to $2/3$ of the overall aid amount available (i.e. $2/3 * X$).
- So: $(H * 3A) + (Y * 1.5A) + (Z * A) = 0.67X$; once H , X , Y , and Z are known, solve for A .
- Step 2: Each qualified applicant will receive an additional amount of aid for each qualified for-hire fishing vessel they own (6-pack vessels or headboats). Solve for an award amount C , such that $C = (0.33X) / B$. Qualified applicants receive the additional award amount C for each qualified fishing vessel they own.

- **Seafood Dealers**
 - **General Principles:**

- Provided that there are available funds after completion of steps 1-3 above, all applicants who meet the sector-specific eligibility criteria will receive some payment additional to the minimum \$1,500 payment, provided that their total personal income loss associated with seafood dealing during the 2020 application period is greater than \$1,500.
- Dealers who earn $\geq 50\%$ of their annual income from seafood dealing will receive a higher payment than those who earn $< 50\%$ of their annual income from seafood dealing.

- **Methods for Determining Additional Award Amounts**

- Applicants will be asked to indicate:
 - If they earned $\geq 50\%$ of their total annual income on average from seafood dealing in 2015-19. The guidelines provided above for calculation of five-year average income should be applied here as well (hardship exemption, years in which the applicant did not hold a license). Applicants are required to self-certify via affidavit their statement on average percentage of income derived from seafood dealing in 2015-19.
- For a given application period, let:
 - X = total remaining aid amount available for seafood dealing.
 - Y = total number of qualified applicants who earned $\geq 50\%$ of their annual income from seafood dealing in 2015-19.
 - Z = total number of qualified applicants who earned $< 50\%$ of their annual income from for-hire fishing in 2015-19.
- Solve for an award amount A , such that applicants who earned $< 50\%$ of their annual income from seafood dealing will receive the amount A , while applicants who earned $\geq 50\%$ of their annual income from for-hire fishing will receive an amount $= 1.5 * A$ (i.e. 50% more), such that the total amount awarded is equivalent to the remaining aid amount available (X).
- So: $(Y * 1.5A) + (Z * A) = X$; once X , Y , and Z are known, solve for A .

- Aquaculture

- General Principles:

- Provided that there are available funds after completion of steps 1-3 above, all qualified applicants will receive some payment additional to the minimum \$1,500 payment
- Commercial shellfishermen who earn $\geq 50\%$ of their annual income from commercial shellfish sales will receive a higher payment than commercial shellfishermen who earn $< 50\%$ of their annual income from commercial shellfish sales.
- Commercial shellfishermen will receive an additional payment for each commercial shellfishing vessel inspected and designated as a harvest vessel on a

Shellstock Shipper License. A vessel can only be selected for payment once under the Aquaculture sector.

- Methods for Determining Additional Award Amounts:

- Applicants will be asked to indicate:
 - If they earned $\geq 50\%$ of their annual income on average from commercial shellfish aquaculture associated with a qualifying license type during 2018-19. Applicants will be asked to self-certify this statement; DOAG will note concurrence based on historical landings database records.
 - The number of vessels they own that are certified by inspection as a harvest vessel, and are designated on a 2019- 2020 Connecticut Shellstock Shipper I License.
- For a given application period, let:
 - X = total remaining aid amount available for aquaculture.
 - Y = total number of qualified applicants who earned $\geq 50\%$ of their annual income from commercial shellfishing during 2018-19.
 - Z = total number of qualified applicants who earned $<50\%$ of their annual income from commercial shellfishing during 2018-19.
 - B = total number of qualified shellfish harvest vessels among all applicants.
- Step 1: Solve for an award amount A , such that applicants who earned $<50\%$ of their annual income from commercial shellfishing will receive the amount A , while applicants who earned $\geq 50\%$ of their annual income from commercial shellfishing will receive an amount $= 1.5 * A$, and also such that the total amount awarded in Step 1 is equivalent to $2/3$ of the overall remaining aid amount available (i.e. $2/3 * X$).
- So: $(Y * 1.5A) + (Z * A) = 0.67X$; once X , Y , and Z are known, solve for A
- Step 2: Each qualified applicant will receive an additional amount of aid for each qualified shellfishing vessel they own. Solve for an award amount C , such that $C = (0.33X) / B$. Qualified applicants receive the additional award amount B for each qualified fishing vessel they own.

Appeals Procedure

Applicants may appeal DEEP or DOAG determinations on the applicant's CAAFP eligibility and/or aid disbursement. Applicants must appeal to the Commissioner of the Department of Energy and Environmental Protection (for commercial fishermen, for-hire fishermen, and seafood dealers) or the Commissioner of the Department of Agriculture (for aquaculture) in writing within thirty (30) days upon receiving notice of the disposition of their application. Appellants should clearly identify their grounds for appeal and provide any supporting documents that they believe are relevant. The Commissioner will consider appeals and render judgement within thirty (30) days of receipt of written notice of appeal.

Unused Aid Funds

Any Connecticut CAAFP aid funds that are not disbursed pursuant to the application process described herein, along with any appeals reserve funds that go unused, will be distributed to Connecticut CAAFP aid recipients prior to September 2021 via an equal payment to all recipients.

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