

Connecticut CARES Act Assistance to Fishery Participants Spend Plan: Revision for Disbursement of Funds Provided by the Consolidated Appropriations Act

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 was contingent upon approval of a “spend plan” by the National Oceanic and Atmospheric Administration (NOAA). During May-June 2020, the Connecticut Department of Energy and Environmental Protection (DEEP), in consultation with the Connecticut Department of Agriculture (DOAG) which has regulatory authority for aquaculture operations in Connecticut, drafted a Connecticut CAAFP spend plan. The draft spend plan was released on July 2, 2020 for a 17-day public comment period. Following the end of the public comment period, DEEP in consultation with DOAG made modifications to the spend plan in response to public input. The Connecticut CAAFP spend plan was then submitted by the Atlantic States Marine Fisheries Commission (ASMFC) to NOAA for review on August 7, 2020. NOAA notified ASMFC of final approval of the Connecticut CAAFP spend plan on October 9, 2020. DEEP and DOAG made CAAFP aid applications available to the public on October 14, 2020, with an initial deadline for submission of October 30, 2020 that was subsequently extended to November 6, 2020. In November 2020, DEEP and DOAG processed all CAAFP aid applications and then provided a list of aid recipients to ASMFC on December 3, 2020. Initial CAAFP aid disbursements were mailed to aid recipients by ASMFC on December 4, 2020. DEEP and DOAG completed processing of all appeals on January 7, 2021, and all remaining CAAFP aid funds were subsequently liquidated via a second round of aid disbursements sent by ASMFC on April 7, 2021.

The Consolidated Appropriations Act, signed into law on December 27, 2020, authorized the U.S. Secretary of Commerce to provide an additional \$255 million of economic assistance to marine fishery participants via aid programs previously authorized by the CARES Act, essentially providing a “second round” of CAAFP aid. On March 29, 2021, Connecticut was notified that its allocation of second round CAAFP aid funding was \$3,000,000. Atlantic coastal states engaged in dialogue with ASMFC and NOAA throughout April 2021 to resolve uncertainties around administration of the second round of CAAFP aid funding. During May-July 2021, DEEP and DOAG revised the first round Connecticut CAAFP spend plan to accommodate changes required for administration and disbursement of second round CAAFP aid funds, as well as to incorporate changes requested by industry participants relative to the “first round” CAAFP aid process. Changes incorporated into the second round Connecticut CAAFP spend plan, relative to the first round CAAFP spend plan, include expansion of the specified periods of loss (pg. 7) and changes to the approach for allocation of aid to applicants (pg. 9). On July 28, 2021, DEEP and DOAG released the draft second round spend plan for a 16-day public comment period. Following the end of the public comment period, DEEP in consultation with DOAG made modifications to the spend plan in response to public input. The second round spend plan was then submitted by ASMFC to NOAA for review on August 18, 2021. NOAA notified ASMFC of final approval of the Connecticut CAAFP second round spend plan on

October 21, 2021. DEEP and DOAG made CAAFP aid applications available to the public on October 27, 2021, with a deadline for submission of November 19, 2021.

This spend plan details the manner in which DEEP and DOAG will instruct ASMFC to distribute the second round of Connecticut 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/wholesaling/processing, or aquaculture sectors, and have suffered a greater than 35% loss in revenue during 2020 and/or 2021 as compared to a prior 5-year average (2015-19). 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., percentage of annual personal income derived from sector participation, number of qualifying vessels owned). The methodology in this spend plan may be used for any future funds appropriated by Congress for the same purpose.

General Application and Eligibility Criteria

To receive CAAFP aid from Connecticut, all applicants must:

- Provide proof of residency in Connecticut.
- Be a Connecticut-licensed commercial fisherman, or be a Connecticut-licensed for-hire fisherman, or hold a Connecticut Seafood Dealer License, or own or operate a seafood dealing business in Connecticut that reports seafood purchases under a Connecticut Seafood Dealer License, or own or operate a seafood dealing/wholesaling/processing business in Connecticut that does not operate under a Connecticut Seafood Dealer License (not to include seafood retail outlets or restaurants), or be a qualifying licensed aquaculture business in Connecticut.
 - See further detail below on sector-specific eligibility criteria.
- Submit an affidavit that:
 - Self-certifies that the applicant has suffered greater than a 35% loss in revenue (personal income and/or revenue to a business that the applicant owns or operates) from commercial fishing, for-hire fishing, seafood dealing/wholesaling/processing, or aquaculture as a direct or indirect result of the COVID-19 pandemic during a specified period of loss, relative to five-year average revenue during those same months in 2015-19. A particular business's 2020 and/or 2021 revenue losses may only be claimed by a single applicant for purposes of qualifying for CAAFP aid (i.e., one applicant per business).
 - Self-certifies a statement of the total commercial fishing, for-hire fishing, seafood dealing/wholesaling/processing, and aquaculture revenue lost in 2020 and/or 2021 during the specified period of loss as a direct or indirect result of the COVID-19 pandemic, relative to five-year average revenue during those same months in 2015-19.
 - Aid disbursements to applicants who qualify for aid from a single sector will be capped at an amount equivalent to their stated revenue loss during the 2020 and/or 2021 specified period of loss. For applicants who qualify for aid from multiple sectors among the commercial fishing, for-hire fishing, and seafood dealing/wholesaling/processing sectors, sector-specific aid payments will be capped at the applicant's stated sector-specific revenue loss during the 2020 specified period of loss, minus a pro-rated portion of the amount of the

minimum payment received by the applicant (see Allocation of Aid to Applicants section below for further detail).

- Discloses the amount and source of any other aid that the applicant has received in 2020 and/or 2021 to offset COVID-19 related losses.
- Discloses whether the applicant has applied for CAAFP aid from any other State or Territory.
- The application affidavit will include acknowledgement that the information provided is subject to verification and anticipated auditing by either the State of Connecticut, the Atlantic States Marine Fisheries Commission, or the Office of the Inspector General.
- Per NOAA guidance, no CAAFP aid recipient may be made “more than whole” in 2020 and/or 2021 by COVID-19 related federal aid programs, relative to average annual revenue in 2015-19. The “more than whole” computation should be evaluated per respective calendar year. Accordingly, CAAFP aid recipients should assess their total 2020 and/or 2021 revenue derived from participation in qualifying fishing sectors (commercial fishing, for-hire fishing, seafood dealing/wholesaling/processing, or aquaculture) and any COVID-19 related aid they have received, and compare 2020 and/or 2021 annual revenue to average 2015-19 annual revenue; in the event that the aid recipient’s 2020 and/or 2021 annual revenue, including any aid received, is greater than their average 2015-19 annual revenue, they should reimburse ASMFC in the amount of their total CAAFP aid disbursement or the difference between 2020 and/or 2021 and 2015-19 average annual revenues, whichever is the lesser amount.

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

This section details criteria that an applicant must meet to qualify for aid under a given sector. Applicants may apply for aid under the commercial fishing, for-hire fishing, and seafood dealing/wholesaling/processing sectors using a single application form. Applicants applying for aid under the aquaculture sector will use a dedicated form for that sector.

Qualifying Licenses

Applicants must have held/hold at least one of the following licenses (hereafter referred to as “qualifying licenses”) in 2020 and/or 2021 (depending on which specified periods of loss the applicant is claiming losses under) 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 2021 and held in 2020 and 2019; DEEP and DOAG will verify using Department records of current and past license holders.

Commercial Fishing

- Connecticut Principal Commercial Fishing License
- Connecticut Commercial Lobster Pot Fishing License
- Connecticut General Commercial Fishing License
- Connecticut Horseshoe Crab Hand Harvest License
- Connecticut Commercial Shad Fishing License
- Connecticut Commercial Whelk Fishing License

- Connecticut Marine Commercial Bait Fishing License
- Connecticut Commercial Landing Vessel Operator's License
- Connecticut Commercial Fishing Vessel Permit
- Connecticut Restricted Commercial Fishing License
- Connecticut Restricted Commercial Lobster Pot Fishing License

Any commercial fisherman who held a Connecticut limited access fishing license (Principal, Commercial Lobster Pot, or General Commercial) in 2019, but did/does not hold any Connecticut limited access fishing license in 2020 and/or 2021, may use a 2020 and/or 2021 Connecticut open access fishing license to qualify for CAAFP aid, provided that they also held that open access fishing license in 2019 and/or 2020.

For-Hire Fishing

- Connecticut Party/Charter Registration (applicant must be 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 Dealing/Wholesaling/Processing

- Applicant must hold a Connecticut Seafood Dealer License or be the owner or operator of a seafood dealing business in Connecticut that purchases seafood landed in Connecticut and reports such seafood purchases under a Connecticut Seafood Dealer License.
- If the applicant is the owner or operator of a seafood dealing/wholesaling/processing business in Connecticut, and neither the applicant nor the business in question holds a Connecticut Seafood Dealer License, the applicant will be asked to self-certify via affidavit that they are the owner or operator of the business in question.

Aquaculture

- Connecticut Shellstock Shipper I License Harvest and Relay

Qualifying History

Applicants must meet the following requirements relative to past sector 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 using Department records of license-holder effort, landings, and seafood transaction history. 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 Fishing

Applicant must have reported fishing effort and landings in Connecticut associated with a qualifying license in at least three of the five years during 2015-19.

Seafood Dealing/Wholesaling/Processing

- Applicant holding the Connecticut Seafood Dealer License, or the seafood dealing business owned or operated by the applicant that reports seafood purchases under a Connecticut Seafood Dealer License, must have reported purchase of seafood landed in Connecticut in at least three of the five years during 2015-19.
- If neither the applicant nor the business engaged in seafood dealing/wholesaling/processing within Connecticut holds a Connecticut Seafood Dealer License, the applicant will be asked to self-certify via affidavit that the business has engaged in seafood dealing/wholesaling/processing in at least three of the 5 years during 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 (i.e., income reported on the applicant's personal federal tax filings) derived from participation in one of the qualifying sectors (hereafter referred to as "qualifying income"). Applicants are required to self-certify via affidavit that they meet qualifying income requirements. DEEP has chosen to implement a personal income eligibility threshold of 20% for all applicants in the commercial fishing, for-hire fishing, and seafood dealing/wholesaling/processing sectors. Given the wide range of licensee activity and business size/capitalization within these fishery sectors in Connecticut, the choice of 20% is intended to strike a balance between providing an opportunity for aid to all affected individuals who earned at least a moderate portion of their annual income from sector participation in recent years, while at the same time avoiding dilution of available aid funds to the point that individual disbursements do not provide meaningful aid. The threshold of 20% will also ensure that multi-sector participants who derive at least a moderate portion of their annual income in aggregate across sectors will qualify for aid, even if they do not drive a moderate portion of their annual income from any one sector in isolation. In recognition of the need to provide greater aid to applicants who earn all or the majority of their income from participation in a given sector, DEEP has implemented a scaled disbursement scheme that will provide larger aid disbursements for applicants who earn $\geq 50\%$ of their personal income from participation in a given sector (see "Allocation of Aid to Applicants" section). In addition, for-hire applicants who own/operate "headboats" (inspected for-hire vessels certified to carry more than six paying passengers) will receive a larger aid disbursement than other for-hire operators, in recognition of the substantial impacts of for-hire passenger restrictions on Connecticut headboat businesses during the COVID-19 pandemic (see "For-Hire Fishing" portion of "Allocation of Aid to Applicants" section). For the second round of the Connecticut CAAFP aid program, DOAG has chosen to recognize aquaculture businesses as the aid applicant, rather than individual owner/operators, thus rendering a personal qualifying income threshold non-applicable.

Commercial Fishing

- Applicant 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 three of the five years during 2015-19.

- Income received from a transferee in exchange for permanent transfer of a limited access commercial fishing license cannot be included in determination of qualifying income.

For-Hire Fishing

- Applicant 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 three of the five years during 2015-19.
- Applicant using income generated from operation of a for-hire vessel to meet the qualifying income criterion must have been the owner of a vessel holding a Connecticut Party/Charter Registration. DEEP will request documentation of for-hire vessel ownership with CAAFP aid applications and will verify Party/Charter Registration status for vessels using Department records of current and past Party/Charter Registrations. DEEP will request documentation of USCG license from Registered Guides and will verify Registered Guide status using Department records of current and past Registered Guides.

Seafood Dealing/Wholesaling/Processing

- Applicant must have earned at least 20% of their annual personal income from sale of seafood landed in Connecticut in at least three of the five years during 2015-19.
- If neither the applicant nor the business they own or operate that is engaged in seafood dealing/wholesaling/processing within Connecticut holds a Connecticut Seafood Dealer License, the applicant must have earned at least 20% of their annual personal income from seafood dealing/wholesaling/processing associated with the business in question in at least three of the five years during 2015-19.

Exceptions for Qualifying History and Income Requirements for Commercial Fishing, For-Hire Fishing, and Seafood Dealing/Wholesaling/Processing

- 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 two of the three years during 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 one of the two years during 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 the applicant owns or operates a seafood dealing/wholesaling/processing business in Connecticut that does not report seafood purchases under a Connecticut Seafood Dealer License, and that business has not been in continuous operation since 2015, then the exceptions above for qualifying history and income requirements apply with respect to the years that the business has been in operation (e.g. if the business was not in operation in 2015-16, then the applicant must meet qualifying history and income requirements in at least two of the three years during 2017-19).
- 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.

- If an applicant under the commercial fishing sector meets the qualifying license and income requirements but not the qualifying history requirements, and the applicant is the owner of a commercial fishing vessel in Connecticut (i.e. a “qualifying vessel” as defined below under Step C on pg. 11-12), then the vessel in question must meet qualifying history requirements as defined above (i.e. the vessel must have landed seafood in Connecticut during at least three of the five years during 2015-19) for the applicant to qualify for aid. If the applicant was not the owner of the commercial fishing vessel in question for all years during 2015-19, then the exceptions above for qualifying history requirements apply with respect to the years that the applicant did not own the vessel (i.e., if the applicant did not own the vessel during 2015-16, then the vessel must have landed seafood in Connecticut in at least two of the three years during 2017-19). DEEP will request documentation of vessel ownership with CAAFP aid applications and will verify Commercial Fishing Vessel Permit status and vessel landing history using Department records.

Specified Periods of Loss and Application Deadline

The following specified periods of loss (period over which applicants will need to calculate their revenue and compare to 2015-19 average revenue during the same period) applies to these sectors: **commercial fishing, for-hire fishing, and seafood dealing/wholesaling/processing.**

Specified Periods of Loss:

1. **February 1 – December 31, 2020**
 2. **January 1 – September 30, 2021**
- An applicant may apply for aid to offset losses during one or both periods. In addition, an applicant may apply for aid to offset losses incurred over the entirety of a loss period, or over some subset of months within a loss period. For example, an applicant could apply for aid to offset losses during April 1 - September 30, 2020, rather than the entire loss period of February 1 – December 31, 2020. The minimum period over which an applicant may claim losses in either year is 28 consecutive days.
 - If an applicant applies for aid to offset losses incurred during a period that includes February 1 – July 31, 2020 (the specified period of loss used for the first round Connecticut CAAFP spend plan), and that applicant received first round Connecticut CAAFP aid disbursement(s), the applicant does not need to consider the first round CAAFP aid disbursement(s) as “revenue” when calculating their fishery-related revenue loss. However, for such applicants, the amount of their first-round disbursement(s) will be deducted from their stated loss before determining the second-round disbursement they qualify for. For example, if an applicant claims a loss of \$50,000 during February 1 – December 31, 2020, and they received a first found CAAFP aid disbursement of \$20,000, then the maximum second round aid disbursement that they could receive to offset their 2020 loss would be \$30,000. If such an applicant applies for aid to offset losses during a period that only partially overlaps with February 1 – July 31, 2020, then their first-round disbursement will be deducted from their stated loss on a per-month pro-rated basis.

The following specified period of loss (period over which applicants will need to calculate their 2020 revenue and compare to 2015-19 average quarterly revenue) applies to the **aquaculture** sector only:

Specified Period of Loss: March 1 – December 31, 2020

- Losses must be measured over the entirety of this period; applicants may not consider losses over only a portion of this period.

Application Deadline for all sectors: November 19, 2021

- Applicants may apply for aid under multiple sectors the commercial fishing, for-hire fishing, and seafood dealing/wholesaling/processing sectors using a single application form. Applicants applying for aid under the aquaculture sector will use a dedicated form for that sector.

Quantifying Revenue Loss during the Specified Period of Loss

- If an applicant meets the general and sector-specific eligibility criteria detailed above, they should determine the revenue (personal income and/or revenue to a business that the applicant owns or operates) associated with their qualifying license(s) during the specified period of loss in each year of 2015-19 and take an average across all years. The applicant should then compare their revenue during the specified period of loss to the five-year average period revenue in 2015-19 to determine whether they meet the greater than 35% revenue loss threshold and to quantify total revenue lost during the specified period of loss. Applicants applying under multiple sectors should perform this calculation separately for each sector.
- If 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, that period in which the applicant did not hold any qualifying license may be excluded from the calculation of five-year average revenue.
- In the event that an applicant meets the general and sector-specific eligibility criteria detailed above, but earned an atypically low amount of revenue 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 revenue, 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 revenue but may not be used when determining whether the applicant meets sector-specific qualifying history and income requirements.
- 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 revenue associated with the re-issued license and accrued during the period of temporary re-issuance may be used when calculating five-year average revenue.
- Income received from the transferee in exchange for permanent transfer of a limited access commercial fishing license cannot be considered when determining whether an applicant meets the greater than 35% revenue loss threshold and quantifying total revenue lost during the specified period of loss.

Allocation of Aid to Applicants

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

The total CAAFP allocation to Connecticut is \$3,000,000. NOAA and ASMFC will retain \$32,970 (1.1%) and \$7,418 (0.025%) of the allocation, respectively, to cover overhead costs associated with administration of Connecticut CAAFP aid funds, yielding a revised allocation of \$2,959,612. DEEP and DOAG will instruct ASMFC to hold 5% (\$147,981) of the revised allocation in reserve to cover potential appeals (see below for more details on Appeals Procedure). A total of \$2,811,631 is therefore available for immediate disbursement by ASMFC to applicants for CT CAAFP aid.

Step 2: Division of aid funds between Aquaculture Sector and Commercial/For-Hire/Seafood Dealing Sectors

A total of \$750,000 of available funds will be allocated to the Aquaculture sector, to be disbursed according to a procedure outline below that is substantially revised from the first round Connecticut CAAFP spend plan. The remaining \$2,061,631 will be allocated to the Commercial Fishing, For-Hire Fishing, and Seafood Dealing/Wholesaling/Processing Sectors, to be disbursed according to the same procedure used for the first round CAAFP spend plan.

Commercial/For-Hire/Seafood Dealing Aid Allocation

Step A: Minimum payment

A total of 50% of funds available for immediate disbursement (\$1,030,816) will be allocated for minimum payments to all qualified sector applicants. The amount of the minimum payment will be determined by dividing \$1,030,816 by the aggregate number of qualified applicants across all sectors. Every applicant who meets the general and sector-specific eligibility criteria detailed above will receive a minimum payment, or the amount of their total revenue loss associated with their qualifying sector during the specified period of loss they claim losses under (or the aggregate revenue loss across multiple sectors for applicants that qualify for multiple sectors), whichever is greatest. Each qualified applicant will receive a single minimum payment, regardless of the number of sectors for which they qualify. For this minimum payment and any additional payments (as described in Step C below), a qualified applicant may choose to have the disbursement made to them in name or to a commercial fishing, for-hire fishing, or seafood dealing/wholesaling/processing business which they own or operate.

Step B: 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 the following adjustments:

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/Wholesaling/Processing: 51.7%

Removing the Aquaculture sector from consideration, and proportionally re-scaling the remaining three sector percentages yields:

- For-Hire: 8.1%
- Commercial Fishing: 26.5%
- Seafood Dealing/Wholesaling/Processing: 65.4%

We will adjust these percentages to ensure a minimum allocation of 15% and maximum allocation of 50% to each sector:

- For-Hire: 15%
- Commercial Fishing: 35%
- Seafood Dealing/Wholesaling/Processing: 50%

This adjustment was accomplished via the following sequence:

- Reducing the seafood dealing/wholesaling/processing allocation to 50% (maximum allocation), yielding 15.4 percentage points for re-distribution.
- Increasing the for-hire sector allocation to 15% (minimum allocation), an increase of 6.9 percentage points, leaving a remainder of 8.5 percentage points for re-distribution.
- Re-distributing the remaining 8.5 percentage points to commercial fishing.

Applying these sector allocation percentages to the remaining aid funds (\$1,030,815) yields the following allocations to each sector:

- For-Hire: \$154,622
- Commercial Fishing: \$360,785
- Seafood Dealing/Wholesaling/Processing: \$515,408

Step C: Allocation of remaining funds among Sector participants

Commercial Fishing

General Principles:

- All applicants who meet the sector-specific eligibility criteria will receive a payment additional to the minimum payment, provided that their total revenue loss associated with commercial fishing during the specified period(s) of loss is greater than the minimum payment amount. In addition, for applicants who only qualify for aid under the commercial fishing sector, additional payment will be capped at their total commercial fishing revenue loss (relative to 2015-19 average) during the specified period(s) of loss, minus the amount of the minimum payment described in Step A. For applicants who qualify for aid under multiple sectors including the commercial fishing sector, additional payment under the commercial fishing sector will be capped at their total commercial fishing revenue loss (relative to 2015-19 average) during the specified period(s) of loss, minus an amount equal to the minimum payment (from Step A) divided by the number of sectors for which the applicant qualifies.
- Commercial fishermen who earn $\geq 50\%$ of their annual personal income from commercial fishing will receive a higher payment than those who earn $< 50\%$ of their annual personal income from commercial fishing.

- Commercial fishermen who earn $\geq 50\%$ of their annual personal income from commercial fishing 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 personal income on average from commercial fishing associated with a qualifying license(s) in 2015-19. The guidelines provided above for calculation of five-year average revenue 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 personal income derived from commercial fishing in 2015-19.
- How many commercial fishing vessels they own that hold 2020 and/or 2021 Connecticut Commercial Fishing Vessel Permits and held such permits in 2019.

Additional Award amounts will be determined using the following formula:

- X = total remaining aid amount available for commercial fishing (\$360,785; see Step B).
- 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 qualified applicants who earned $\geq 50\%$ of their annual income from commercial fishing in 2015-19 (vessels must have held Connecticut Commercial Fishing Vessel Permits in 2019, and 2020 and/or 2021).
- 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 $= 4 * A$, and also such that the total amount awarded in this step is equivalent to $2/3$ of the remaining aid amount available (i.e., $2/3 * X$).
 - So: $(Y * 4A) + (Z * A) = 0.67X$; X is known; once Y and Z are known, solve for A .
- Each qualified applicant who earned $\geq 50\%$ of their annual income from commercial fishing in 2015-19 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 who earn $\geq 50\%$ of their annual income from commercial fishing receive the additional award amount C for each qualified fishing vessel they own.

For-Hire Fishing

General Principles:

- All applicants who meet the sector-specific eligibility criteria will receive a payment additional to the minimum payment, provided that their total revenue loss associated with for-hire fishing during the specified period(s) of loss is greater than the minimum payment amount. In addition, for applicants who only qualify for aid under the for-hire fishing sector, additional payment will be capped at their total for-hire fishing revenue loss (relative to 2015-19 average) during the

specified period(s) of loss, minus the amount of the minimum payment described in Step A. For applicants who qualify for aid under multiple sectors including the for-hire fishing sector, additional payment under the for-hire fishing sector will be capped at their total for-hire fishing revenue loss (relative to 2015-19 average) during the specified period(s) of loss, minus an amount equal to the minimum payment (from Step A) divided by the number of sectors for which the applicant qualifies.

- Operators of inspected vessels certified to carry more than six paying passengers, or “headboats”, will receive a higher payment than operators of uninspected or “6-pack” vessels and registered guides.
- Operators of “6-pack” vessels and registered guides who earn $\geq 50\%$ of their annual personal income from for-hire fishing will receive a higher payment than 6-pack operators and guides who earn $< 50\%$ of their annual personal income from for-hire fishing.
- Headboat operators, as well as 6-pack operators who earn $\geq 50\%$ of their annual personal income from for-hire fishing, will receive an additional payment for each for-hire 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 earned $\geq 50\%$ of their total annual personal income on average from for-hire fishing in 2015- 19. The guidelines provided above for calculation of five-year average revenue 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 personal income derived from for-hire fishing in 2015-19.
 - Note that the two categories listed above (headboat operator vs. 6-pack operator/registered guide earning $\geq 50\%$ annual personal 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 and/or 2021 Connecticut Party/Charter Registrations, and whether those vessels also held such registrations in 2019.

Additional Award amounts will be determined using the following formula:

- X = total remaining aid amount available for for-hire fishing (\$154,622; see Step B).
- 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 personal 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 Captain’s License and earned $< 50\%$ of their annual personal income from for-hire fishing in 2015-19.
- H = total number of qualified applicants who operate headboats.

- B = total number of qualified vessels (headboats, or 6-pack boats owned by applicants who earned $\geq 50\%$ of their annual personal income from for-hire fishing in 2015-19; vessels must have held a Connecticut Party/Charter Registration in 2019, and 2020 and/or 2021).
- 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 an amount = A , 6-pack operators or registered guides who earned $\geq 50\%$ of their annual income from for-hire fishing will receive an amount = $4 * A$, and headboat operators will receive an amount = $8 * A$, and also such that the total amount awarded in this step is equivalent to $2/3$ of the remaining aid amount available (i.e. $2/3 * X$).
 - So: $(H * 8A) + (Y * 4A) + (Z * A) = 0.67X$; X is known; once H , Y , and Z are known, solve for A .
- Each headboat operator, as well as 6-pack operators who earn $\geq 50\%$ of their annual personal income from for-hire fishing, will receive an additional amount of aid for each qualified for-hire 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.

Seafood Dealers/Wholesalers/Processors

General Principles:

- All applicants who meet the sector-specific eligibility criteria will receive a payment additional to the minimum payment, provided that their total revenue loss associated with seafood dealing/wholesaling/processing during the specified period(s) of loss is greater than the minimum payment amount. In addition, for applicants who only qualify for aid under the seafood dealing/wholesaling/processing sector, additional payment will be capped at their total seafood dealing/wholesaling/processing revenue loss (relative to 2015-19 average) during the specified period(s) of loss, minus the amount of the minimum payment described in Step A. For applicants who qualify for aid under multiple sectors including the seafood dealing/wholesaling/processing sector, additional payment under the seafood dealing/wholesaling/processing sector will be capped at their total seafood dealing/wholesaling/processing revenue loss (relative to 2015-19 average) during the specified period(s) of loss, minus an amount equal to the minimum payment (from Step A) divided by the number of sectors for which the applicant qualifies.
- Dealers/wholesalers/processors who earn $\geq 50\%$ of their annual personal income from seafood dealing/wholesaling/processing will receive a higher payment than those who earn $< 50\%$ of their annual personal income from seafood dealing/wholesaling/processing.

Methods for Determining Additional Award Amounts

Applicants will be asked to indicate:

- If they earned $\geq 50\%$ of their total annual personal income on average from seafood dealing/wholesaling/processing in 2015-19. The guidelines provided above for calculation of five-year average revenue 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 personal income derived from seafood dealing/wholesaling/processing in 2015-19.

Additional Award amounts will be determined using the following formula:

- X = total remaining aid amount available for seafood dealing/wholesaling/processing (\$515,408; see Step B).
- Y = total number of qualified applicants who earned $\geq 50\%$ of their annual personal income from seafood dealing/wholesaling/processing in 2015-19.
- Z = total number of qualified applicants who earned $< 50\%$ of their annual personal income from seafood dealing/wholesaling/processing in 2015-19.
- Solve for an award amount A , such that applicants who earned $< 50\%$ of their annual income from seafood dealing/wholesaling/processing will receive the amount A , while applicants who earned $\geq 50\%$ of their annual income from seafood dealing/wholesaling/processing will receive an amount $= 4 * A$, such that the total amount awarded is equivalent to the remaining aid amount available (X).
 - So: $(Y * 4A) + (Z * A) = X$; X is known; once Y and Z are known, solve for A .

Aquaculture Aid Allocation

Part 1: Direct Payments for participants whose 2020 revenue loss under that sector must be greater than 35% when compared to the same period from 2015-19.

A total of \$500,000 will be disbursed among all qualified aquaculture sector applicants in the form of a direct payment. The amount of each applicant's payment will be directly proportional to that applicant's proportional contribution to the aggregate loss reported among all qualified applicants.

Determine the average monthly Shellfish Aquaculture Sales for the period of loss from 2015-2019 as $A1$,

Determine actual sales revenue for the same period of loss in 2020 as B ,

Calculate the 2020 Revenue loss ($A1 - B$) as C ,

Applicants can proceed if $(C/A1) =$ eligible loss greater than 35%

Subtract from loss C the NOAA CARES ROUND 1 and the Supplemental payment.

The balance is the loss eligible for NOAA Cares Round 2 payment.

The total loss remaining of all participants will be totaled and a factor applied to reduce total NOAA CFAP Round 2 payment to \$500,000.00.

Part 2: Remaining 250K Aquaculture section allocation will be directed to Rehabilitation of Public Natural Oyster Seed Beds.

The remaining \$250,000 of aid funds allocated to the Aquaculture sector will be spent on a fishery-related project as described below performed through contracts with individual aquaculture operations. The Bureau of Aquaculture will develop a simple contract for work proposed below and signoff on invoices submitted upon completion of the work to ASMFC which will issue payment.

The Connecticut Aquaculture fishery-related infrastructure portion of the spend plan is based on diminished maintenance and investment in the public natural seed oyster beds. The diminished maintenance is directly and indirectly related to the 15 months of diminished revenues resulting from COVID-19 impacts to eligible fishery participants.

This infrastructure request spend plan focuses on needed investment in the designated natural beds through contracting with industry members. CT has 40 licensed shellfish operations. The goal is to contract with 30 operations to conduct the activities described below.

November 2021 contract with CT shellfish operations to purchase mature oversized oyster not sold as a result of pandemic restrictions to be placed within these designated natural beds as spawners.

1. Purchase 90,909 oysters at (\$0.55 apiece) equals \$50,000.00 (Ten individual contracts) Fall 2021 and possibly June 2022 if a shortfall exists.
2. Purchase oyster shell removed from deep water from private leases (3,000 bushels at \$ 5.00/bushel) totals \$15,000.00 (3 to 5 individual contracts) fall 2021. Shell will be stock piled in deep water on Designated Natural oyster bed to be spread in June.
3. Contract with large suction vessel one or 2 contracts to pull oysters shell from beneath the silt on natural bed totaling \$75,000.00 and stockpile. December 2021 or May 2022.
4. Contract with ten industry members to remove silt with open oyster dredges June 2022 for seven days. Project Cost Per Day \$839.74 per contractor. Totaling \$58,781.80.
5. Contract with ten industry members to reclaim buried shell from the silt with open hydraulic clam dredges June 2022, individual contractor Project Cost Per Day \$839.74. Total six days of work totals \$51,218.20

This investment in the infrastructure of the natural seed oyster public beds through the use of the contracted activities of the shellfish industry members is a known and proven best management practice. The Department of Agriculture anticipates to contract with 30 industry members as several may participate in more than one category. The goal throughout will be to offer contract work to nonparticipants first and then to duplicate participants to ensure work accomplished and funding distributed.

This spend plan will impact the majority of shellfish operations who choose to participate, provide immediate cash flow upon completion, enable companies to maintain crews full time rather than part-time to handle reduced market demands, prevent over-sized product flooding shellfish markets, and influence related price drops from large shell market flooding, while significantly increasing the potential productivity of the public natural seed oyster beds for stronger recruitment.

This infrastructure investment will retain Connecticut aquaculture jobs, businesses, and revenue in 2021-2023. It is important to note that not only will this one-time infrastructure investment assist struggling industry members through their contract participation now, but it will also assist them in future years. If the work is successful in regaining oyster spawning productivity in these 6 natural bed areas, that success will carry forward to other areas, as producers annually cultivate and manage the beds by gathering seed. The routine work of the small seed oyster dredges to gather oysters and shell

displaces accumulated silt. The shell sorted on the boats and placed back overboard increases the likelihood that the shell surface becomes an oyster settlement area in the next spawn cycle.

The Department will notify all industry members of the various participation options this fall and next spring and request a response on what level of participation they can commit to. Individuals will receive their first option to participate and we will evaluate where duplication is necessary to achieve success in the infrastructure investment in the public natural seed bed while utilizing all the funding amongst industry contractors.

Budget breakdown for \$250,000:

- Use large suction boats to recover buried oyster shell in mud: \$75,000
- Open Oyster and hydraulic Dredges to stir and clean shell on surface: \$110,000
- Oyster shell bushel purchase for planting throughout work area: \$15,000
- Oversized oysters planted for spawners: \$50,000

Appeals Procedure

Applicants may appeal DEEP or DOAG determinations on the applicant's CAAFP eligibility and/or aid disbursement amount. DEEP and DOAG will consider appeals for aid from Connecticut residents who do not participate in a qualifying sector in Connecticut (i.e. do not meet the qualifying license requirements outlined above) but do participate in a qualifying sector in another State or Territory, and also meet the Connecticut CAAFP sector-specific qualifying history (relative to sector activity in the State or Territory in which they participate) and qualifying income requirements, provided the applicant does not receive CAAFP aid from any other State or Territory. DEEP and DOAG will also consider appeals for aid from non-Connecticut residents who are residents of States or Territories that did not receive CAAFP aid funds, provided the applicant meets all other general and sector-specific eligibility requirements (i.e., all requirements other than being a Connecticut resident), and provided the applicant does not receive CAAFP aid from any other State or Territory. Applicants must appeal to the Commissioner of the Department of Energy and Environmental Protection (for commercial fishermen, for-hire fishermen, and seafood dealers/wholesalers/processors) or the Commissioner of the Department of Agriculture (for aquaculture) in writing within fourteen (14) days upon Department issuance of 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 to their grounds for appeal. The Commissioner will consider appeals and render judgement within thirty (30) days of receipt of written notice of appeal.

Undisbursed Aid Funds

Any second round Connecticut CAAFP aid funds that are not disbursed pursuant to the application process described herein, along with any appeals reserve funds that remain after determining disposition of any appeals, will be distributed equally among all Connecticut CAAFP aid recipients prior to March 1, 2022.

Proposed Timeline for Aid Disbursement

Application Deadline: November 19, 2021

Completion of Application Processing by DEEP/DOAG: December 17, 2021

Issuance of Notice to Applicants of application disposition: December 17, 2021

Information on aid recipients, award amounts provided to ASMFC: December 17, 2021

Aid payments mailed by ASMFC: December 20, 2021

Deadline for Appeals: December 31, 2021

Deadline for rendering judgement on any appeals: January 30, 2022

Disbursement of any remaining aid funds by ASMFC: February 28, 2022