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of ALASKA
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Guidance for Fisheries Participants Regarding CARES Act Relief Funding

On May 7th the U.S. Secretary of Commerce announced allocations of Section 12005 CARES Act fisheries assistance funding to all coastal states and territories. Alaska fishery participants will receive \$50 million of the \$300 million available for this assistance program.

The funding associated with Section 12005 is separate from the AK CARES grant program as it has entirely different requirements which are outlined below. Section 12005 funds will be distributed through the Pacific States Marine Fisheries Commission (PSMFC) based on a spend plan developed by the Alaska Department of Fish and Game (ADF&G). **See the bottom of this document for links to resources regarding other aid available to fishermen.**

The ADF&G is working expeditiously to develop a spend plan to ensure fund distribution can occur quickly and within established federal timeframes.

To develop the spend plan, ADF&G has evaluated the very broad guidance received from NOAA Fisheries and is meeting with stakeholder groups to receive specific recommendations. At this time, only the following information can be provided. If you are interested in staying informed, **please see information at the end of this document.**

Section 12005 of the CARES Act specifies:

ASSISTANCE TO FISHERY PARTICIPANTS

SEC. 12005. (a) IN GENERAL.—The Secretary of Commerce is authorized to provide assistance to Tribal, subsistence, commercial, and charter fishery participants affected by the novel coronavirus (COVID–19), which may include direct relief payments.

(b) FISHERY PARTICIPANTS.—For the purposes of this section, “fishery participants” 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; or*
- (2) any negative impacts to subsistence, cultural, or ceremonial fisheries.*

(c) ROLLING BASIS.—Funds may be awarded under this section on a rolling basis, and within a fishing season, to ensure rapid delivery of funds during the COVID–19 pandemic.

(d) APPROPRIATIONS.—In addition to funds that are otherwise made available to assist fishery participants under this Act, there are authorized to be appropriated, and there are appropriated, \$300,000,000, to remain available until September 30, 2021, to carry out this section, of which up to 2 percent may be used for administration and oversight activities.

(e) EMERGENCY REQUIREMENT.—The amount provided by this section is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Frequently Asked Questions

Who is eligible?

- Commercial fishermen, charter businesses, aquaculture businesses, processors, subsistence fishery users, and tribes affected by the coronavirus pandemic.
- All businesses must have incurred at least a 35% revenue loss compared to their past 5-year average.
- Fisheries must be marine-based or target anadromous fish.
- Subsistence fisheries must have had a negative impact.
- Personal Use fisheries are not listed as eligible within the CARES Act language.

Which types of aquaculture operations are eligible for funding?

- Privately owned mariculture dealers utilizing open-system marine aquaculture not otherwise eligible for assistance under part 1416 of Title 7 of the Code of Federal Regulations for losses related to COVID-19 and holds a valid permit issued by ADF&G.

How do I apply?

- At this time, an application process has not been finalized. The application will be released once the spend plan has been finalized and approved by NOAA Fisheries.
- The department intends to have a draft spend plan available for public review and comment by the end of August/early September.

Where do I apply if I operate in Alaska but live elsewhere?

- Commercial fishermen and at-sea processors operating in Alaska must apply to the state in which they reside.
- Charter businesses, processors and aquaculture businesses operating in Alaska apply in Alaska.

Will a business be ineligible for this assistance if they've already received funding elsewhere?

- No – Receiving assistance from other CARES Act assistance programs will **not** make a fishery participant ineligible for Section 12005 fisheries assistance funding.

- Fisheries participants receiving any other CARES Act assistance will need to document that funding and certify that the sum of all funds and traditional revenue will not exceed the participant's average revenue earned across the previous five years.
- These funds will be audited.

Will these funds be forgivable?

- Yes – Participants will **not** be required to pay back the funds in the future if they meet all requirements.
- These funds will also be taxable and a valid W9 will be required for the application process.
- As mentioned above, if funds received in addition to fishery revenue equal more than your five-year average, some funds may need to be returned. This is a federal requirement that will be outside of the state's purview.

How will funds be distributed?

- The state will work with PSMFC to develop and submit a spend plan to NOAA Fisheries.
- NOAA Fisheries must approve the spend plan before any distributions can be made to eligible fishery participants.

Are direct payments allowed under the CARES Act?

- Yes, direct payments are expressly allowed.

I have been a fisheries participant for less than five years, am I still eligible?

- Yes, businesses that have been participating for fewer than the five years prior to 2020 are still eligible under the CARES Act.
- Method for calculating loss in this situation has yet to be determined.

Will stakeholders have a role in drafting the spend plan?

- Yes – The state will work with representatives of eligible fishery sectors across the state to finalize the spend plan for submission to the PSMFC.

What criteria is being used in drafting the spend plan?

- The state will consider the eligibility criteria specified in Section 12005 of the CARES Act, any additional guidance from NOAA Fisheries and suggestions received from the eligible fishery participant sectors. Specific eligibility criteria will be released with the spend plan.

Is there a deadline for fund distribution?

- Yes – Section 12005 of the CARES Act specifies that all funds must be expended by September 30, 2021 but Congress would like to see all funds expended by September 2020.

- However, the state understands that many fisheries are currently underway, or have not yet been prosecuted, and is working with the PSMFC and NOAA Fisheries to ensure all fisheries are eligible and that applicants have adequate time to submit applications.

What methodology did NOAA Fisheries use to determine allocations to states and territories?

- NOAA Fisheries used readily available total annual revenue information from the commercial fishing, charter fishing, marine shellfish and finfish aquaculture, and seafood-related businesses of coastal states, tribes, and territories to proportionately allocate funding. NOAA Fisheries also took into consideration negative impacts to subsistence, cultural, and ceremonial fisheries during the allocation process.
- In addition to allocating the funds proportionately based on readily available total average annual revenue data, NOAA Fisheries established a minimum and maximum funding level that each state and territory will receive (\$1M and \$50M, respectively).
- For more details please see the NOAA Fisheries news release at <https://www.fisheries.noaa.gov/feature-story/commerce-secretary-announces-allocation-300-million-cares-act-funding>

Who do I contact with questions or concerns?

- The commissioner's office is receiving comments and questions.
 - **Kari Winkel, Office Manager**
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How do I stay informed of developments in the CARES Act process and opportunities to participate?

- Please visit: <https://public.govdelivery.com/accounts/AKDFG/subscriber/new> to sign up for regular updates.
 - Once you have submitted your email, look for the CARES Act topic in the Commissioner's Office drop down menu.
 - Check the box, or boxes, of which you wish to subscribe.

Other CARES Act Resources

For further information regarding the AK CARES grant program, please visit the Department of Commerce, Community and Economic Development's webpage
www.commerce.alaska.gov/web/EconomicRecoveryResourcesforBusiness.aspx

To learn about other available funding programs unrelated to the CARES Act, please visit the Department of Commerce, Community and Economic Development's webpage
www.commerce.alaska.gov/web/ded/FIN/LoanPrograms.aspx