

Connecticut CARES Act Assistance to Fishery Participants Spend Plan

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). 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 to NOAA for review on August 7, 2020.

This spend plan details the manner in which DEEP and DOAG propose to instruct the Atlantic States Marine Fisheries Commission (ASMFC) to distribute 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 as compared to the prior 5-year average (2015-19). Upon NOAA approval of this spend plan, 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., percentage of annual personal income derived from sector participation, number of qualifying vessels owned). 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.

General Application and Eligibility Criteria

To receive CAAFP aid from Connecticut, all applicants including members of federally recognized Tribes must:

- Provide proof of residency in Connecticut.
- Be a Connecticut-licensed commercial fisherman, Connecticut-licensed for-hire fisherman, 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, 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 own or operate 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 the specified period of loss, relative to five-year average revenue during those same months in 2015-19. A particular business's 2020 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 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 specified period of loss. For applicants who qualify for aid from multiple 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 to offset COVID-19 related losses.
 - 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 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 by COVID-19 related federal aid programs, relative to average annual revenue in 2015-19. Accordingly, at the conclusion of 2020, CAAFP aid recipients should assess their total 2020 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 and compare 2020 annual revenue to average 2015-19 annual revenue; in the event that the aid recipient's 2020 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 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 multiple sectors using a single application form.

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 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 does not hold any Connecticut limited access fishing license in 2020, may use a 2020 Connecticut 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 2nd.

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.
- In the event that 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 last five 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 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 last five years (2015-19).
- In the event that 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 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 (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 and DOAG have chosen to implement a personal income eligibility threshold of 20% for all applicants. Given the wide range of licensee activity and business size/capitalization within 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 and DOAG have 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 in 2020 (see “For-Hire Fishing” portion of “Allocation of Aid to Applicants” section).

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 last five years (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 last five years (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 last five years (2015-19).
- In the event that 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 last five years (2015-19).

Aquaculture

- Applicant must have earned at least 20% 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 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 last three 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 one of the last two 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 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 last three years).
- 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.

Specified Periods of Loss and Application Deadline

The following specified period of loss (period over which applicants will need to calculate their 2020 revenue and compare to 2015-19 average revenue during the same time period) applies to these sectors: **commercial fishing, for-hire fishing, and seafood dealing/wholesaling/processing**.

Specified Period of Loss: February 1 – July 31, 2020

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

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 – May 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: October 16, 2020 (*target date – may need to be adjusted depending on spend plan approval date*)

- Applicants may apply for aid under multiple sectors using a single application form

Quantifying Revenue Loss during the Specified Period of Loss

- If a commercial fishing, for-hire fishing, or seafood dealing/wholesaling/processing 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 February 1 – July 31 in each year of 2015-19, and take an average across all years. The applicant should then compare their revenue during the 2020 specified period of loss (February 1 – July 31) 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 2020 specified period of loss. Applicants applying under multiple sectors should perform this calculation separately for each sector.
- If an aquaculture applicant meets the general and sector-specific eligibility criteria detailed above, they should determine the annual revenue (personal income and/or revenue to a business that the applicant owns or operates) associated with their qualifying license in each year of 2015-19, take an average across all years, and then divide that average annual revenue by 4 to estimate average quarterly (three-month) revenue. The applicant should then compare their revenue during the 2020 specified period of loss (March 1 – May 31) to the five-year average quarterly revenue in 2015-19 to determine whether they meet the greater than 35% revenue loss threshold and to quantify total revenue lost during the 2020 specified period of loss.
- 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, 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 2020 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 \$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 \$1,820,764. DEEP and DOAG will instruct ASMFC to hold 4% (\$72,831) of the revised allocation in reserve to cover potential appeals (see below for more details on Appeals Procedure). A total of \$1,747,933 is therefore available for immediate disbursement by ASMFC to applicants for CT CAAFP aid.

Step 2: Minimum payment

A total of 50% of funds available for immediate disbursement (\$873,967) will be allocated for minimum payments to all qualified CT CAAFP aid applicants. The amount of the minimum payment will be determined by dividing \$873,967 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 2020 specified period of loss (or the aggregate revenue loss across multiple sectors during the 2020 specified period of loss 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.

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 allocation by sector.

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%

We will adjust these percentages to ensure a minimum allocation of 15% and maximum allocation of 35% to each sector:

- For-Hire: 15%
- Commercial Fishing: 25%
- Aquaculture: 25%
- Seafood Dealing/Wholesaling/Processing: 35%

This adjustment was accomplished via the following sequence:

- Reducing the seafood dealing/wholesaling/processing allocation to 35% (maximum allocation), yielding 16.7 percentage points for re-distribution.

- Increasing the for-hire sector allocation 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).

Applying these sector allocation percentages to the remaining aid funds (\$873,966) yields the following allocations to each sector:

- For-Hire: \$131,095
- Commercial Fishing: \$218,491
- Aquaculture: \$218,491
- Seafood Dealing/Wholesaling/Processing: \$305,889

Step 4: 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 2020 specified period 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 2020 commercial fishing revenue loss (relative to 2015-19 average) during the specified period of loss, minus the amount of the minimum payment described in Step 2. 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 2020 commercial fishing revenue loss (relative to 2015-19 average) during the specified period of loss, minus an amount equal to the minimum payment (from Step 2) 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 Connecticut Commercial Fishing Vessel Permits, and also held such permits in 2019.

Additional Award amounts will be determined using the following formula:

- X = total remaining aid amount available for commercial fishing (\$218,491; see Step 3).
- 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).
- 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 2020 specified period 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 2020 for-hire fishing revenue loss (relative to 2015-19 average) during the specified period of loss, minus the amount of the minimum payment described in Step 2. 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 2020 for-hire fishing revenue loss (relative to 2015-19 average) during the specified period of loss, minus an amount equal to the minimum payment (from Step 2) 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 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 (\$131,095; see Step 3).
- 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).
- 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 2020 specified period 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 2020 seafood dealing/wholesaling/processing revenue loss (relative to 2015-19 average) during the specified period of loss, minus the amount of the minimum payment described in Step 2. 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 2020 seafood dealing/wholesaling/processing revenue loss (relative to 2015-19 average) during the specified period of loss, minus an amount equal to the minimum payment (from Step 2) 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 (\$305,889; see Step 3).
- 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

General Principles:

- All qualified applicants who own vessels certified by inspection as a harvest vessel, rigged with a hydraulic clam dredge, and designated on a 2019- 2020 Connecticut Shellstock Shipper I License will receive a payment additional to the minimum payment, provided that their total revenue loss associated with participation in the aquaculture sector during the 2020 specified period of loss is greater than the minimum payment amount. In addition, for applicants who only qualify for aid under the aquaculture sector, additional payment will be capped at their total 2020 aquaculture revenue loss (relative to 2015-19 average) during the specified period of loss, minus the amount of the minimum payment described in Step 2. For applicants who qualify for aid under multiple sectors including the aquaculture sector, additional payment under the aquaculture sector will be capped at their total 2020 aquaculture revenue loss (relative to 2015-19 average) during the specified period of loss, minus an amount equal to the minimum payment (from Step 2) divided by the number of sectors for which the applicant qualifies. DOAG has chosen to limit additional payments under the aquaculture sector to those applicants engaged in hard clam aquaculture in light of the unavailability of USDA CFAP 2 aid to those individuals.
- Aquaculture applicants who earn $\geq 50\%$ of their annual personal income from commercial shellfish sales will receive a higher payment than those who earn $< 50\%$ of their annual personal income from commercial shellfish sales.
- Qualified applicants will receive an additional payment for each commercial shellfishing vessel they own that is certified by inspection as a harvest vessel, rigged with a hydraulic clam dredge, and designated on a 2019-20 Connecticut Shellstock Shipper I License. A qualifying vessel must have had active vessel monitoring system (VMS tracks) during the 2020 aquaculture specified period of loss (March 1 – May 31). DOAG will verify VMS tracks using third party VMS vendor data. 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 total annual personal income on average from commercial shellfish sales in 2018-19. Applicants are required to self-certify via affidavit their statement on average percentage of personal income derived from commercial shellfish sales in 2018-19.
- The number of vessels they own that are certified by inspection as a harvest vessel, rigged with a hydraulic clam dredge, designated on a 2019- 2020 Connecticut Shellstock Shipper I License, and have active VMS tracks during the 2020 specified period of loss.

Additional Award amounts will be determined using the following formula:

- X = total remaining aid amount available for aquaculture (\$218,491; see Step 3).
- Y = total number of qualified applicants who earned $\geq 50\%$ of their annual personal income from commercial shellfish sales in 2018-19 (owners of vessels equipped with hydraulic clam dredges only).

- Z = total number of qualified applicants who earned <50% of their annual personal income from commercial shellfish sales in 2018-19 (owners of vessels equipped with hydraulic clam dredges only).
- B = total number of qualified shellfish vessels among all applicants (vessels certified by inspection as a harvest vessel, rigged with a hydraulic clam dredge, designated on a 2019-20 Connecticut Shellstock Shipper 1 License, and with active VMS tracks during the 2020 specified period of loss).
- Solve for an award amount A , such that applicants who earned <50% of their annual income from commercial shellfish sales will receive the amount A , while applicants who earned $\geq 50\%$ of their annual income from commercial shellfish sales will receive an amount $= 4 * A$, such that the total amount awarded is equivalent to the $2/3$ 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 will receive an additional amount of aid for each qualified 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.

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, Tribe, or Territory. DEEP and DOAG will also consider appeals for aid from non-Connecticut residents who are residents of States or Territories, or members of Tribes, 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, Tribe, 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 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 September 2021.

Proposed Timeline for Aid Disbursement

This timeline is contingent upon receiving final approval from NOAA during week of 10/5/2020

Application Deadline: 10/23/2020

Completion of Application Processing by DEEP/DOAG: 11/6/2020

Issuance of Notice to Applicants of application disposition: 11/23/2020

Information on aid recipients, award amounts provided to ASMFC: 11/13/2020

Aid payments mailed by ASMFC: 11/27/2020

Deadline for Appeals: 12/7/2020

Deadline for rendering judgement on any appeals: 1/6/2021

Disbursement of any remaining aid funds by ASMFC: 2/28/2021