

## **Allocation of Sec. 12005 CARES Act Funds**

### ***Summary of Allocation Methodology and Data Methodology:***

To allocate the Sec. 12005 funds, NOAA Fisheries used a methodology that would meet our overriding goal to distribute the Sec. 12005 funds as quickly as possible while accounting for regional variability in the size of commercial, charter, seafood processors and dealers, and aquaculture industries.

Given the definition of “fishery participant” identified in Sec. 12005 of the CARES Act, 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 the Sec. 12005 funding. NOAA Fisheries also took into consideration negative impacts to subsistence, cultural, and ceremonial fisheries during the allocation process.

### **Data Used for the Allocation**

NOAA Fisheries used readily available multi-year averages to estimate the total average annual revenues from commercial fishing operations, aquaculture firms, the seafood supply chain (processors, dealers, wholesalers and distributors) and charter fishing businesses from each coastal state, Tribe, and territory.

In general, NOAA Fisheries used a 5 year average of annual commercial fishing revenues as a baseline for this sector. Available multi-year averages of aquaculture revenues were also captured in the estimates of average commercial fisheries revenues.

Average annual landings revenue data from Alaska, New England and Mid-Atlantic states were adjusted to attribute landings in those regions to a vessel owner’s state of residence to better reflect where fishing income accrues. These adjustments were made by determining the proportion of landings in a particular state attributed to vessel owners residing in another state and distributing revenue accordingly. A similar adjustment was also applied to at-sea processors on the West Coast but was not applied broadly to other fisheries on the West Coast or Pacific Islands, Southeast, and Gulf of Mexico fisheries, because comparable state-by-state vessel ownership data was not readily available. In addition, because those regions represent a relatively small proportion of the nation’s total commercial fishery landings revenues and are smaller in scale relative to Alaska fisheries and the West Coast at-sea processors, adjustments in those regions would not significantly impact the overall allocation across all applicable states, Tribes, and territories.

Average annual value-added estimates from the seafood sector (i.e., processors, dealers, and wholesalers/distributors) were calculated using NOAA Fisheries’ Commercial Fishing & Seafood Industry Economic Impact Model while Alaska and West Coast value added estimates were calculated from regional models. Multipliers were applied to commercial fishing and aquaculture operations revenues to account for the value-add generated by these components of the seafood supply chain (e.g., processing crabs into crab meat). A multiplier was also applied to available multi-year averages of Tribal and territorial commercial fishing operations to account for commercial, subsistence, cultural, and ceremonial fisheries.

Furthermore, a 5 year average of for-hire angler trip expenditures was used to calculate average annual for-hire fishing revenues.

There are some exceptions where a multi-year average across all states was not available (e.g., select shellfish aquaculture) or the sources of data for an individual state or territory varied from the general data streams described above (e.g., based on data availability, for-hire revenues in Hawaii and Alaska were obtained from cost-earnings studies rather than angler expenditures.) 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).