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GUAM CARES Act Fisheries Spend Plan

Purpose

Guam Department of Agriculture (DOAG) Division of Aquatic and Wildlife Resources (DAWR) provides these guidelines for the distribution of \$988, 803 in the form of direct payments to eligible participants impacted by Covid19 pursuant to the CARES Act Section 12005.

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.

Definition

Tier 1 Commercial Fishing Business: an individual or an entity who fishes and sells his/her fish catch commercially and has been in commercial fishing business for at least one year within the past five years (2015-2019). This includes charter/for-hire fishing business, which is a recognized business entity hired for charter that provides a vessel for fishing activities and has a business license with the Department of Revenue. Tier 1 businesses must be able to provide verifiable revenue data, such as income tax documents or Gross Receipts Tax (GRT) documents, for each year the business has been in operation and demonstrate greater than 35% economic revenue loss as compared to the prior 5-year average revenue.

Tier 2 Commercial Fisher: an individual who fishes and sells a portion of his/her fish catch commercially to a licensed place of business (a restaurant, hotel, fish market, or cooperative) and has verifiable sales documentation, such as sales receipts or invoices, occurring at least one month within the past five years. Tier 2 commercial fishers do not hold a business license with the Department of Revenue and Taxation.

Revenue loss: loss of income or sales within the period of eligibility compared to previous years up to five years. The period of eligibility being at least one year but up to five years between 2015- 2019.

Period of eligibility: the period of time used to determine revenue loss due to COVID 19. The reference period for determining the greater than 35% loss is January 1 – June 30.

Subsistence fishermen: any individual who fishes primarily for noncommercial purposes to feed their immediate family and extended relatives. On occasion subsistence fishers barter, trade, or sell his/her catch to pay for fuel, lures, baits, or to buy other food items to feed their family or relatives. Subsistence fishers are not considered commercial fishers and do not hold a commercial fishing business license.

Eligibility

Who is eligible: All Guam residents, who are at least 18 years old **and** registered as a fisher with the DOAG DAWR.

Fishing related businesses eligible for assistance include commercial fishing businesses and charter/for-hire fishing businesses, qualified aquaculture operations, processors, dealers and other fisheries related businesses as allowable under section 12005 of the CARES Act. There are no processors or dealers on Guam. No commercial aquaculture business on Guam qualifies under the CARES act definition.

Licensed fishing related business applicants must provide documentary evidence, using Income Taxes filed with DRT and GRT receipts, of their economic revenue loss greater than 35%, compared to the prior 5-year average, for each valid business license.

Subsistence fishermen must provide an affidavit to certify negative impact of COVID 19. Subsistence fishers needed to complete a registration form identifying the type of fishing in which they engage.

Who is not eligible: For the purposes of this CARES Act funding, marine bait and tackle operations and marine gear and vessel suppliers are not considered eligible businesses by DOAG DAWR.

Criteria

- a. Guam Resident, 18 years or older
- b. Must be registered as a sustenance and/or commercial fisher with DOAG DAWR.
- c. Tier 1 Commercial Business
 - a. Must demonstrate revenue loss greater than 35% from January 1 to June 30, 2020, as compared to the last five years' average
 - b. Businesses operating for more than one year but less than five years, the reference period for each year will be used to calculate the average for each year of operation
 - c. Must use the dates of January 1 to June 30 as the average reference period across the five years
 - d. Must provide signed affidavit
 - e. Must provide documentation as needed
- d. Tier 2 Commercial Fisher
 - a. Must provide signed affidavit
 - b. Must have at least one receipt indicating fish sales within the past five years
 - c. Must provide documentation as needed
- e. Subsistence Fisherman
 - a. Must provide affidavit certifying fishing loss due to COVID-19

- f. Application packet
 - a. All applicants must submit a complete application packet and required documents
 - b. No applications will be accepted after the established published deadline
 - c. This application is for a one payment request only
 - d. Each applicant may only apply for one tier and identify losses specific to that area.

Payment and Distribution of Funding

- a. DOAG DAWR will receive all applications, review them for accuracy and completeness by cross referencing applications with data required at DAWR fisher registration: name, license or ID number, and forward to Pacific States Marine Fisheries Commission (PSMFC) for final approval and payment disbursement.
- b. Payments will be processed by the PSMFC and a check will be mailed directly to the applicant.
- c. Any funding received through the CARES Act is subject to federal and local tax requirements. The PSMFC will be responsible for issuing 1099 Forms directly to the applicants.

Funding Allocation

- a. All eligible and approved Tier 1 Commercial applicants' funding allocation will be based on the demonstrated economic revenue loss that must be greater than 35% compared to their prior years' average annual revenue as indicated in the criteria above; using the methodology below.
- b. All eligible and approved Tier 2 Commercial applicants' funding allocation will be based on a set amount at \$1,200.00.
- c. All eligible and approved Sustenance fisher applications' funding allocation will be based on a set amount of \$1,045.72.
- d. All inquiries and grievances will be handled by the Department of Agriculture Division of Aquatic and Wildlife Resources. An applicant will have three business days to submit their complaint via email or hardcopy in the DAWR drop box. The complaint will be reviewed and addressed within five business days. The applicant will be notified of a decision within ten business days of the date in which the complaint was received.

Methodology

- a. Period affected by COVID19, January 1 – June 30
- b. Revenue loss computation
$$(A) \text{ Average of the last two to five year's income} - (B) \text{ this year's income} = (C) \text{ difference}$$
$$(C) \text{ Difference} \div (A) \text{ average year's income} = (D)$$
$$(D) \times 100 = \text{percentage revenue loss or gain}$$

Example:

$$\begin{aligned} \$30,000 - \$17,000 &= \$13,000 \\ \$13,000 / \$30,000 &= 0.433 \\ 0.433 \times 100 &= 43.3\% \end{aligned}$$

c. Findings and distribution for Guam:

- Verification of financial documents substantiating revenue loss has already been completed by DAWR personnel.
- 742 total fishers registered
- 12 total Tier 1 commercial fishers with five-year documentary evidence for average revenue during the reference period and greater than 35% revenue loss in 2020; revenue lost totals \$162,442.57
- 3 total Tier 1 commercial fishers with more than one year but less than five-year documentary evidence for average revenue during the reference period and greater than 35% revenue loss in 2020; revenue lost totals \$64,270.89
- 12 Tier 2 fishers will be paid out at \$1200.00 each for a total of \$14,400.00.
- 784 sustenance fishers will receive \$953.68 each for a total of \$747,690.00.

Public Notice

- Press Release to media partners (radio, tv, newspaper, social media)
- Interviews with all media outlets
- Targeted calls to registered fishers
- Press release through Whatsapp

Application Process

- a. Application packet will include application and affidavit.
- b. Application packets will be provided at the DAWR office and on DOAG website.
- c. Application packets are due by January 29, 2021 and must be submitted to the DAWR office drop box located in the front of the DOAG main building or via email at fisheries@doag.guam.gov.
- d. All potential applicants have already provided verified documentation to DAWR to validate revenue loss as well as commercial sales. All documents validating your loss and this claim for relief funds should have been submitted to DOAG DAWR by August 3, 2020.
- e. No application packets will be accepted after the due date.
- f. DAWR will notify applicants of deficient applications. Applicants will be given three business days to address deficiencies.

Documentation Requirements

- a. Subsistence Fishers
 - Application
 - Affidavit for loss of fishery lost due to COVID19

- Proof of Identification (ex. copy of ID)
- b. Commercial Fishers
 - Application
 - Business License and Gross Receipt Tax receipts or invoices for verification of the past two to five years; OR
 - Fish sales receipts
 - Affidavit for any missing documents
 - Proof of Identification

Review Process

- a. Fisher registration - completed in July 2020.
- b. Funds claim and supporting documents - completed August 3, 2020;
- c. Application period opens - 1 week after spend plan approval; application period open for thirty calendar days.
- d. DAWR Fisheries personnel will review each application for consistency with Fisher registration documents and financial revenue documents provided.
- e. Applications will be reviewed pursuant to approved criteria requirements and approved spend plan. Applications sent to PSMFC for processing – within two weeks after the close of application period.
- f. Each reviewer will notify applicants, via email and/or phone, of deficiencies within two business days – to be completed by February 05, 2021.
- g. Reviewers will certify complete applications – to be completed by February 19, 2021.
- h. Reviewers will compile completed applications to be scanned, emailed, and then mailed to the Pacific State Marine Fishery Commission (PSMFC) – to be completed by February 22, 2021.
- i. PSMFC will review the application for appropriate disposition.
- j. PSMFC will notify DAWR and applicants whose applications were disapproved and provide reasons for disapproval.
- k. PSMFC will process and disburse checks 7-10 days after receiving approved/completed applications.

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