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WHAT AAFA IS DOING FOR YOU – 2020

This new format, approved by the Board in April, is designed to be more user friendly and more conscious of your time. It will be submitted on a monthly basis and will be a living document in the sense that we will be adding to (or deleting from) it throughout the course of the month. Text which is new for a given month, will be presented in **red** so that you won't be burdened with rereading content previously published.

Through **April 10, 2020**

Thanks to everyone who participated on the AAFA General Meeting on the 3rd. I thought it was a productive conversation with a lot of good information shared and questions asked.

COVID-19

It goes without saying that COVID-19 has, is having, and will have profound impacts on the fishing industry. For purposes of this part of the Report – I will break down what has transpired by various groupings.

Industry response:

- On March 24 an industry [letter](#) (with over 180 signatures) was to a wide range of folks in DC – including Congress, Dept of Commerce and the White House.
- Saving Seafood created a website (which is being updated as necessary) designed to keep industry (and others informed) about all things COVID-19. It is available [here](#).

Legislative response:

- On March 27, The CARES Act (H.R. 748) was signed into law.
 - §12005 outlines ASSISTANCE TO FISHERY PARTICIPANTS. In short, \$300M has been appropriated to “provide assistance to Tribal, subsistence, commercial, and charter fishery participants affected by the novel coronavirus (COVID–19), which may include direct relief payments.” As of the date of this Report, Guidance for how these funds will be distributed has not yet been released. AAFA was contacted by folks at the Southwest Fisheries Science Center as they are working to gather information to help inform the Dept of Commerce’s Guidance. For your convenience, I have attached the Language of §12005 as an Attachment to this Report.
 - There are two other Sections within the CARES Act which may prove helpful to AAFA members: The Paycheck Protection Program (§1102) and the Emergency EDIL Grant Program (§1110). These programs are loans, offered by the SBA, which can be forgiven over time. Each of these are very specific to an individual borrower – so your best bet is to talk to an SBA Loan Rep with your current bank. For your convenience, I have included a BRIEF overview of the PPP and EIDL programs as an additional Attachment. The information contained in that Attachment is general in nature and designed to provide a very high-level overview of what each Program does. Because everyone’s business is set-up differently, you will need to contact a qualified SBA Loan Rep to figure out which option works best for you. **The information**

provided here, and in any attachments, does not, and is not intended to, constitute legal advice; instead, all information, content, and materials are for general informational purposes only.

Regulatory response:

- NMFS: Has waived some observer requirements. A coalition of fishery groups are working to have that waiver extended and expanded beyond what is currently in place – waiver at the discretion of the Regions. Within the West Coast Region, two waivers have been sought and none granted. The PFMC is in the process of finalizing a letter to NMFS requesting the waiver be extended to all fisheries where observers are required until the Federal Government relaxes its Social Distancing Guidelines.
- California: A letter was sent to the DFW seeking their assistance on a number of matters. To date, no answer has been received.
- The PFMC also put together a [brief overview](#) around the first of April.

North Pacific Albacore – Management Strategy Evaluation (“MSE”)

- We don’t envision any work on the MSE until later this year (at the earliest) after the Stock Assessment is finalized

US – Canada Pacific Albacore Treaty

- AAFA participated in two US Government Treaty-related calls during the month of January. (1) The postponed 2019 annual Pacific Albacore Treaty consultation; and (2) A call with Dave Hogan clarifying items contained in our May 2019 letter seeking additional information from the Canadian Govt.
- AAFA in communications with Dept of State and Commerce seeking clarification on outstanding Treaty related issues: Proposed MPA off West Coast of Canada and 2019 fishery data.
- AAFA was represented at the March PFMC meeting where the Treaty was discussed. AAFA’s concerns were included in the [Highly Migratory Species Advisory Subpanel’s Statement](#). The Council, generally, supported the HMSAS Statement and encouraged the State Department representative to address them.
- AAFA had a sit-down discussion with the State Department representative and conveyed our concerns.
- AAFA signed on to an industry letter to the State Department seeking only a one-year regime given uncertainty surrounding (1) border issues; (2) the 2020 Stock Assessment; (3) status of the Pacific Offshore area of Concern; and (4) ongoing matters re a US vessel which had its catch seized last year. To date – there has been no formal response to this letter.

UN Intergovernmental Conference on Marine Biodiversity of Areas Beyond National Jurisdiction – ABNJ/BBNJ

- The 4th Session of the Intergovernmental Conference has been scheduled for this Spring. An updated draft of the ABNJ Text is available at - <https://undocs.org/en/a/conf.232/2020/3>
- AAFA submitted written comments to and participated in a public meeting on BBNJ for U.S. stakeholders on February 25, 2020.
- The 4th Session (which was scheduled to take place in March/April) has been postponed. As of today, it has not been rescheduled.

Domestic Management – PFMC

- AAFA participated in the January 23 and 24, TNC/PFMC workshop entitled, *Developing Future Scenarios for Climate Change in the California Current Ecosystem*. This is part of the Council’s Climate and Communities Initiative under its Fishery Ecosystem Plan. It was made clear that this scenario

planning will not result in any immediate regulations; but is designed to describe possible responses to events which may occur in the future. While some of the items covered were surely climate related (warming oceans and sea level rise) others were not (trade policies, changing values, etc).

Wind farms off the West Coast

- Representative from west coast membership of RODA are working to establish lines of communication with the Southwest Fisheries Science Center and the West Coast Region of NMFS.
- AAFA is reviewing the February 7 Notice of Availability published by the California Energy Commission entitled, "Outreach on Additional Considerations for Offshore Wind off the Central Coast of California"
- Two meetings which AAFA will attend: March 9 – BOEM California Intergovernmental Renewable Energy Task Force Meeting; and April 2 - BOEM Oregon Intergovernmental Renewable Energy Task Force Meeting.
- The April 2nd BOEM Oregon meeting was postponed and has not yet been rescheduled.
- AAFA is now a member of [RODA](#).

POSSIBLE IUU North Pacific Albacore Harvest

- The USCG has created [a form](#) which allows you provide report observed incidents of illegal behavior you encounter in your travels. While the form is labelled as being specific to the Treaty, that is not the case. I strongly advise keeping a few copies of this form on your boat – or have it readily accessible on your vessel's computer. The impression I got from the USCG is that there is an increased effort to go after high seas fishery violators (individual vessels and the nations they are flagged under). Make sure the AAFA office receives any copies of forms you submit.
- There is a planned call with USCG, NMFS and industry stakeholders to address this and AAFA will be participating.

Other items which arose previously and continued through April 10.

This section will appear monthly and highlights issues, etc that aren't likely recurring items

- With the closure of the Ca DFW's licensing counters, any and all renewals will have to be done online. On March 18, I forwarded guidance from the DFW on how to do this. This was forwarded to the AAFA membership.
- Those of you who rely upon non-citizen crew may want to start thinking about alternatives should the impacts of the Coronavirus make it impossible for foreign crew to get to the U.S

Upcoming meetings:

Given COVID-19 previously scheduled meetings are being postponed. AAFA remains vigilant in ensuring we have representation (in person or via written comments).

CARES Act – Section 12005

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)

CARES Act – PPP and EIDL Overview

Section 1102 – SBA Paycheck Protection Program. See Page 6 of the [Bill](#).

- Period covered: February 15, 2020 – June 30, 2020
- “Payroll costs”
 - Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee);
 - Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit;
 - State and local taxes assessed on compensation; and
 - For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at \$100,000 on an annualized basis for each employee.
- Open to “Small business” – which I assume you would all qualify as
- Dollar limits - up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. That amount is subject to a \$10 million cap. If you are a seasonal or new business, you will use different applicable time
- periods for your calculation. Payroll costs will be capped at \$100,000 annualized for each employee.
- Allowable uses
 - Payroll costs, including benefits;
 - Interest on mortgage obligations, incurred before February 15, 2020;
 - Rent, under lease agreements in force before February 15, 2020; and
 - Utilities, for which service began before February 15, 2020.
- Certifications (I assume these will be check the box entries on the Loan Application)
 - Current economic uncertainty makes the loan necessary to support ongoing operations.
 - Fund will only be used for allowable uses.
 - You have not and will not receive another loan under this program.
 - You will provide Lender all necessary documentation verifying costs incurred for allowable uses.
 - Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. **Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.** (emphasis added)
 - Info submitted to obtain the loan is true and current. Falsifying information is punishable by law
 - Lender will calculate the eligible loan amount using the tax documents you submitted.
- Interest Rate – 1%

Section 1110 – SBA Emergency Economic Injury Disaster Loan (EIDL) Grants. See Page 26 of the [Bill](#).

- Period Covered: January 31, 2020 through December 31, 2020
- Eligible Entity: Amongst other things not applicable:
 - Business with less than 500 employees
 - An individual who operates as a sole-proprietorship, with or without employees, or as an independent contractor.
- Terms:
 - Maximum unsecured loan amount is \$25,000
 - Automatically deferred for twelve months
- Emergency Grant/Advance (\leq \$10K) – may be requested (and should be received within three days)
- Uses
 - Payroll (incl paid sick leave for employees who, because of COVID-19, are unable to work)
 - Increased costs to obtain materials unavailable from original source due to interrupted supply chains
 - Rent or mortgage
 - Repaying obligations that cannot be met due to revenue losses