



Summary of Key Themes: Feedback Received on a Draft Proposal for the Disbursement of Disaster Relief Funds

July 27, 2018

Introduction

In response to the large-scale impacts of domoic acid in the California Dungeness crab and rock crab fisheries¹ during the 2015-16 fishing seasons, the National Oceanic and Atmospheric Administration (NOAA) allocated \$25.8M in disaster relief funds to the state of California. Based on guidance from NOAA ([here](#)), the California Department of Fish and Wildlife (CDFW) developed a proposal outlining how funds could be allocated to help safeguard future operations and the sustainability of these crab fisheries.

Prior to submitting a draft high-level proposal to Pacific States Marine Fisheries Commission (PSMFC) on July 20, 2018 ([here](#)), CDFW requested industry input on a draft proposal ([here](#)) that outlined a number of options for consideration. Commercial fishermen, commercial passenger fishing vessel (CPFV) owner/operators, and buyers and processors provided feedback in writing and via a public webinar, which was held on July 18, 2018. A total of 67 written comments were received by 5:00pm on July 18, and the webinar was attended by over 125 callers (audio recording available [here](#)).

The following summarizes both the written and verbal feedback received by CDFW. This is not intended to be a transcript, but rather aims to capture the key themes that emerged from the input received.

Information about CDFW's request for industry input along with other reference materials are available at <https://www.wildlife.ca.gov/crab>. Please contact CrabDisaster@wildlife.ca.gov for additional details about the disaster relief disbursement process.

Summary of Key Themes

Proposed Distribution by Sectors and Qualifying Criteria

- Feedback received generally supported CDFW's proposed distribution of disaster relief funds by sector (commercial fishermen, CPFV operators, and processors/buyers, see slide 6 in CDFW's draft options presentation). Industry members also generally supported maximizing direct payments to the industry and allocating no more than 10% of the \$28.5M to mitigation.
 - Additional feedback was received, including increasing the rock crab commercial fishermen allocation, increasing allocation for mitigation beyond 30%, and limiting allocation to processors.
 - There was some support expressed for allocating 1% of the \$25.8M to fund an industry-representative organization (e.g. Pacific Coast Fishermen's Federation (PCFFA)) to assist the fleet in navigating future disasters.
- Input was provided on the criteria CDFW should use for each sector to be eligible to receive funds:
 - **All Sectors:** Businesses must file a claim for losses. If their claim is greater than 40%, all claimants should be awarded the same percentage of the claim.
 - **Commercial Permitholders:** Permits that have zero historical landings should not be allowed to qualify for disaster relief or would receive a smaller amount than actively fished permits. Could

¹ Both fisheries are referred to as 'crab' fisheries throughout this document

consider an exception in cases where those permits were purchased/transferred during or before the 2015-16 fishing season to a fisherman that actively fished the permit in the years following.

- Permitholders who also hold Oregon and Washington permits should not be eligible to receive disaster relief funds since they had potential to fish in other two states.
- **CPFV Operators:** Respondents who supported this option felt that only those who rely on Dungeness crab as part of their business should be eligible to receive funds.
- **Processors/buyers:** Businesses who import crabs should not be eligible to receive disaster relief funds.

Mitigation of Future Impacts of Domoic Acid

- **Research:** Recommendations for allocating mitigation funds through a competitive grants process were received. Research priorities included evaluating domoic acid hotspots, appropriateness of safety thresholds, and socioeconomic impacts. Additionally, these projects should have accountability inherent in their design to ensure funds are being appropriately used for betterment of the industry.
 - Members of the fishing industry should be invited to participate on the review panel or in the research projects directly.
 - To leverage disaster relief funds, a landing tax could be considered to help fund domoic acid research and/or coordinate collecting and processing domoic acid samples to give the fishing industry more control over how research is funded and the efficiency of processing samples.
- **Communications:** Since domoic acid is a broad issue, some recommended prioritizing and leveraging mitigation funds to support relationship-building and communications with international industry participants (e.g. Chinese buyers).
- **Testing:** Investing in improvements to laboratory and sample processing capacity, as well as compensate fishermen for retrieving samples, was also recommended. New or existing labs could be leveraged to improve timely processing of samples while still maintaining a chain of custody. It was also suggested that CDFW play a larger role in coordinating and processing samples to support state health agencies.

Proposed Options for Disbursement Industry Sector: Commercial Fishermen

- Support was expressed by various industry participants for each of the options presented by CDFW.
 - **Option 1- Equal Share: split equally among all qualifying participants:** *Support:* simple, supports new permitholders, ensures an even playing field where no one is excluded, and would prevent costly appeals which could delay the allocation of funds. *Opposition:* would inappropriately reward inactive permits.
 - **Option 1, Sub-option A- Equal Share: split equally among all qualifying participants and weighted by trap tier (Dcrab only):** *Support:* simple, ensures everyone gets some funds, supports new permitholders, maximizes access to the funds by all industry participants despite the size of their operations or longevity of their operations, and would prevent costly appeals which could delay the allocation of funds. *Opposition:* would inappropriately reward inactive permits and would penalize the low tier permits. Respondents suggested CDFW also consider allocating a higher percentage of funds to the lower tier permits.
 - **Option 2, Sub-option A- Proportional to ex-vessel value of landings and based on difference between past average and disaster year:** *Support:* most appropriately considers actual loss and it is important to base the payout on average landings and the differential loss thereby helping those who suffered the most loss. *Opposition:* would set a precedent to encourage fishermen to not fish in future, would penalize those who made landings during the 2015-16 season, and anticipated appeals would delay the allocation of the funds. Respondents suggested CDFW also consider basing this on landings in the 2015-2016 season and the 2-4 seasons prior to the disaster season.
 - **Option 2, Sub-option B- Proportional to ex-vessel value of landings and based on past average:** *Support:* fair option since it is reflective of historical participation in and contributions to the

fishery. *Opposition:* appeals would delay the allocation of funds and it would penalize new permit holders. Respondents suggested CDFW consider basing the calculation on landings in the two seasons prior to and two seasons following the 2015-16 season.

- **Alternative proposals** for disbursing funds to the commercial fishing sector were also submitted for CDFW's consideration:
 - Consider future seasons (e.g. 2016-17 and 2017-18) in quantifying loss for those permit holders who transferred a permit prior to the 2015-16 fishing season and may have limited landings in prior seasons.
 - Consider a hybrid approach where permit holders are allocated a portion of funds based on the permit tier and another portion based on historical or future landings.
 - Disburse funds based on previous year's production (2014-15 season).
 - Do not provide funding to any permit holder who chose not to fish during the 2015-16 season.
 - Use funds to reduce permit renewal fees.
- Some recommended CDFW use the same approach to disbursing funds for commercial fishing and processors/buyers.

Proposed Options for Disbursement Industry Sector: Processors/Buyers

- Support was expressed by various industry participants for each of the options presented by CDFW.
 - **Option 1- Equal Share: split equally among all qualifying participants:** *Support:* would avoid penalizing those who chose not to purchase crabs during the 2015-16 season.
 - **Option 2, Sub-option A- Proportional to ex-vessel value of landings and based on difference between past average and disaster year:** *Support:* appropriate way to account for the disparity in the harvest opportunities between the Northern and Central management areas, and takes in to consideration the extent of the disaster's impact on individual businesses and the piecemeal opening of the fishery during the delayed disaster season. Respondents suggested CDFW consider years with a December 1 opener into the calculation to more fully assess loss of the holiday market.
 - **Option 2, Sub-option B- Proportional to ex-vessel value of landings and based on past average:** *Support:* simple and fair, considers historical production and all market impacts. Respondents suggested CDFW consider basing the calculations on the last three to five seasons.
- **Alternative proposals** for the disbursement of funds to the processor/buyer sector were also submitted for CDFW's consideration:
 - Require purchase orders to be submitted as a means to show purchasing quantity prior to the closure/delay.
 - Similar to the Dungeness crab permit system, production tiers could be developed for the processor/buyer sector to determine allocation for that sector like Option 1, Sub-option A (above).
- Some recommended CDFW use the same approach to disbursing funds for processors/buyers and commercial fishing.

Proposed Options for Disbursement Industry Sector: Dungeness Crab CPFV

- While feedback received on this sector was limited, there was support expressed for both options presented by CDFW.
 - **Option 1: Equal Share: split equally among all qualifying participants:** *Support:* CPFVs who attempted to make their first Dungeness crab trips during the 2015-16 season and were unable to due to the disaster would be considered. *Opposition:* inappropriate to provide funds to those who do not rely on Dungeness crab to support their business.
 - **Option 2: Proportional to historic trips from daily logbooks:** *Support:* only those who rely on Dungeness crab as part of their business should be eligible to receive funds. Respondents suggested CDFW consider looking at daily landings especially in November and December.