

## **FREQUENTLY ASKED QUESTIONS**

### Maine DMR Lobster Gear Modification Fund

#### **1. Where did this money come from and what is it for?**

In March 2022, Congress appropriated \$14 million to assist the lobster industry with complying with new regulations aimed at increasing protections for the North Atlantic Right Whale. Of the \$14 million, \$4 million was allocated to fund the requirement for federal permit holders to use trackers, as well as provide for any necessary right whale research. The remaining \$10 million is available to provide direct relief to lobster license holders to offset costs associated with gear marking, weak links, and trawling up requirements effective May 2022.

At the Annual Meeting in November 2022 the affected states within the Atlantic States Marine Fisheries Commission (ASMFC) finalized allocations of the available \$10 million to participating states, including \$6.8 million for Maine. Allocations were made based on the number of federal permit holders, while also ensuring a minimum percentage (4%) to all participating states. Maine then had to develop a spend plan for approval by NOAA.

#### **2. Who is eligible for a payment?**

To be eligible for a payment, a license holder must meet the following criteria:

- Held a Class I, II or III lobster and crab fishing license in 2022, AND
- Have either made 50 or more lobster fishing trips in 2019, 2020, or 2021, OR had landings of 32,392.5 lbs. or more in 2019, 2020, or 2021.

If a license holder ALSO held a federal permit and purchased EEZ tags in 2022, they are eligible for a higher payment (two times the payment for a state only license holder).

#### **3. How is the payment amount determined?**

The amount of the payment is calculated by taking the available funds and dividing them among eligible state license holders and eligible federal permit holders. Based on the original analysis, DMR estimates that state license holders will receive approximately \$1,700, and that state license holders who also held a federal permit will receive approximately \$3,400. However, exact amounts will depend on whether there are successful appeals. Once all the appeals have been considered, DMR will do the final calculations on the exact payment amounts.

#### **4. Why is eligibility for a payment based on having a minimum number of trips?**

These funds were provided to offset the costs that fishermen incurred in complying with the federal gear modification requirements effective May 2022. Because the greatest expense was incurred by fishermen fishing the full amount of gear, funds are targeted to that population. People who have a license but who are not fishing at all are not eligible for a payment. Similarly, people fishing at only a very low level are not eligible.

To establish a cut-off for who is eligible for a payment, DMR could have used landings or trips. Because similarly active fishermen fishing in different parts of the coast could have very different landings, it was determined that it was more equitable to use trips to determine activity. Of license holders with trips

in 2019, 2020, and 2021, 70% have 50 trips or more (so only 30% of license holders with trips will not receive a payment).

**5. Why do federal permit holders get a larger payment?**

There were additional compliance requirements for individuals fishing in federal waters.

**6. I got a letter that says I am eligible for a payment. What do I need to do?**

If you agree with the determination regarding your activity and your federal permit status, you don't need to do anything. After the appeal period, DMR will determine the final number of eligible license holders and divide the available funds. They will give this information to ASMFC, who will issue and mail the checks. You only need to fill out an online form in the following situations:

- According to DMR's dealer data, you did not have 50 or more trips in 2019, 2020, or 2021, but you believe that you DID have 50 or more trips in at least one of those years, or that your landings were greater than 32,392.5 lbs. in 2019, 2020, or 2021
- According to DMR's license database, you did not hold a federal permit and purchase EEZ tags in 2022, but you believe that you did hold a federal permit and purchase EEZ tags in 2022.
- You are eligible for a payment, but for whatever reason, you do not wish to receive it.

**7. Is this money taxable?**

This is a determination that will be made by the IRS and DMR does not currently know whether the funds will be considered taxable. If they are, ASMFC will also send you a 1099 for the 2023 tax year.

**8. What if I don't want the money?**

You can opt out of receiving a payment by completing the online form on the Department's website. Please note that once you opt out of the payment, it is a final decision which cannot be later reversed.

**9. How long will it be before checks are mailed?**

The period for the appeals is 15 business days, so people who were determined not eligible for payment need to contact DMR by July 14, 2023. Once all the appeals are received, DMR will determine whether to approve any changes, and recalculate the payment amounts. How long this takes will depend on how many appeals are received, but it is hoped that we will be able to submit the spreadsheet to ASMFC for payment in July. We will notify people of the progress and expected mailing date by GovDelivery.

**10. I have another question....who can I ask?**

Please email [lobster.dmr@maine.gov](mailto:lobster.dmr@maine.gov) and your question will be directed to the appropriate staff person for response.