Fisheries Compensation Program
for Atlantic Coast Offshore Wind

DRAFT REGIONAL COMPENSATION FRAMEWORK

September 4, 2026

DRAFT REGIONAL COMPENSATION FRAMEWORK

TABLE OF CONTENTS

I. NOTICE.

This draft regional offshore wind fisheries compensation framework (the "Draft Framework") was prepared by BrownGreer PLC and The Carbon Trust, in their capacity as the Regional Fund Administrator ("RFA"), in consultation with the Consensus Building Institute, pursuant to work (1) sponsored by (a) the New York State Energy Research and Development Authority ("NYSERDA") and (b) the Special Initiative on Offshore Wind ("SIOW"); and (2) undertaken in coordination with (a) Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Rhode Island, Virginia; (b) representatives of the Maine Department of Marine Resources, Maryland Department of Natural Resources, Massachusetts Division of Marine Fisheries, New Hampshire Fish and Game Department, New Jersey Department of Environmental Protection, New York Department of State, New York State Department of Environmental Conservation, Division of Marine Resources, and Virginia Commonwealth University Rice Rivers Center; (c) representatives of commercial fishing businesses and organizations, including Design Oversight Committee members from Atlantic Capes Fisheries, Atlantic Offshore Lobstermen's Association, Belford Cooperative, Briarpatch Enterprises, Empire Fisheries, Long Island Commercial Fishing Association, Lund's Fisheries, Massachusetts Lobstermen's Association, Responsible Offshore Development Alliance ("RODA"), and Sustainable Harvest Sector; (d) liaisons from the National Oceanic and Atmospheric Administration ("NOAA") and the Bureau of Ocean Energy Management ("BOEM") recently reunified with the Bureau of Safety and Environmental Enforcement into the Marine Minerals Administration ("MMA"); (e) representatives of for-hire recreational fishing businesses and organizations, including For-Hire Committee members from the Hatteras Release, Master Sportfishing Charters, Rhode Island Party and Charter Boat Association, and United Boatmen of New Jersey; and (f) representatives of offshore wind developers and offshore wind industry organizations, including American Clean Power Association ("ACP"), Ocean Winds, Ørsted, RWE, and SeaRisk Solutions.

Participation in the RFA process by any individual, organization, business, or agency does not constitute agreement with, endorsement of, or approval of any statement, element, design choice, methodology, or conclusion contained in this Draft Framework. While the Draft Framework has been informed by extensive stakeholder engagement and feedback, it should not be interpreted as reflecting agreement among participants or stakeholder groups. Relatedly, because the Draft Framework was developed through a consensus-driven and collaborative process involving stakeholders with differing interests and perspectives, it should not be interpreted as a statement of the RFA's independent preferences or recommendations; rather, the Draft Framework reflects the RFA's best efforts to synthesize stakeholder input and develop a fair, balanced, practical, and functional approach under the circumstances presented.

The concepts, options, approaches, and design elements described in this Draft Framework are working proposals developed for discussion and evaluation. The Draft Framework, if finalized, is intended to form the basis of a Fisheries Compensation Program for Atlantic Coast Offshore Wind ("Program"). This Draft Framework is not a regulation, policy statement, legal determination, permit condition, contractual obligation, funding commitment, or final program protocol. Nothing contained in this Draft Framework creates any substantive or procedural rights, expectations of compensation, entitlement to funding, or obligations on the part of any state, agency, developer, stakeholder, participant, or future Program administrator. The contents of this Draft Framework may be revised, supplemented, refined, or replaced based upon continued stakeholder input, policy direction, legal review, project-specific circumstances, future data and analysis, regulatory developments, funding conditions, implementation considerations, or other factors.

Any opinions, analyses, observations, and concepts expressed in this Draft Framework are those of the RFA formed in the course of performing its assigned responsibilities and do not necessarily reflect the views of any other RFA process participant or stakeholder.

NYSERDA, SIOW, BrownGreer PLC, the Carbon Trust, and all RFA process participants do not make any warranty or representation, express or implied, regarding the completeness, accuracy, suitability, usefulness, or future implementation of the matters discussed in this Draft Framework. Any reliance upon this Draft Framework for legal, regulatory, financial, business, permitting, investment, or other decision-making purposes is solely at the discretion and responsibility of the reader. NYSERDA, SIOW, BrownGreer PLC, the Carbon Trust, and all RFA process participants make no representation that the use of any concepts, methodologies, processes, approaches, or other information described in this Draft Framework will not infringe privately owned rights and will assume no liability for any loss, injury, or damage resulting from, or occurring in connection with, the reliance upon or the use of information contained, described, disclosed, or referred to in this report.

Participants have made every effort to identify and provide accurate information about copyright owners and related matters in this Draft Framework. The RFA contractors are responsible for determining and satisfying copyright or other use restrictions regarding the content of reports that they write, in compliance with NYSERDA's policies and federal law. If you are the copyright owner and believe this Draft Framework has not properly attributed your work to you or has used it without permission, please email print@nyserda.ny.gov.

Information contained in this Draft Framework is current to the best of the RFA's knowledge as of the date of publication and may be revised as the regional process continues.

II. Public Comment Process.

This Draft Framework is being released for public review and comment. The purpose of the comment period is to provide stakeholders and interested members of the public an opportunity to review the Draft Framework and submit feedback regarding its design.

The 60-day public comment period will remain open from September 4, 2026, through November 3, 2026. Comments may be submitted electronically through the Regional Fund Administrator website at www.RFAInfo.com/Home/ContactUs or by email at Contact@RFAInfo.com.

The RFA welcomes comments from all interested individuals and organizations, and appreciates the time, effort, expertise, and perspective that stakeholders devote to reviewing this Draft Framework. Feedback from fishermen, fishing communities, for-hire operators, offshore wind representatives, government agencies, subject matter experts, and members of the public will help inform continued evaluation and refinement of the Draft Framework. The comment process is intended to provide an opportunity for participants to identify strengths, concerns, unintended consequences, implementation challenges, and alternative approaches for consideration as the Draft Framework moves toward its final form.

All comments received during the comment period will be reviewed by the RFA and be considered in further development of the Draft Framework. Comments, including the identity of the commentor if known, may be discussed with stakeholders, advisors, and other participants in the regional process. The RFA will not provide individual responses to comments submitted during or after the comment period.

To promote transparency, all substantive comments received will be published on the RFA website following the close of the comment period, shared with all advisors engaged in this process, and appended to the final framework. Unless a submitter requests anonymity at the time of submission, comments will be published together with the name of the submitting individual or organization. Submitters requesting anonymity will have identifying information removed before publication, although the content of the comment may still be disclosed.

Submission of a comment does not create any right to receive a response, participate in future proceedings, or require adoption, modification, or rejection of any aspect of the Draft Framework.

III. Draft Framework Introduction.

This Draft Framework is the product of a multi-year regional initiative that began as Atlantic Coast states, federal agencies, fishing interests, and offshore wind stakeholders recognized the need for a coordinated approach to addressing potential fisheries impacts associated with large-scale offshore wind development. In June 2021, nine Atlantic Coast states jointly urged the federal government to provide leadership regarding offshore wind-related resource impact assessment and mitigation approaches. Around the same time, those states formed a working group that met regularly with the Bureau of Ocean Energy Management ("BOEM," recently reunified with the Bureau of Safety and Environmental Enforcement into the Marine Minerals Administration "MMA"), and with the National Oceanic and Atmospheric Administration ("NOAA") to discuss fisheries mitigation concepts and the need for greater consistency in compensation approaches. In November 2021, the nine states formally encouraged BOEM to pursue development of a standardized fisheries compensatory mitigation framework, reflecting a growing regional concern that project-by-project approaches could lead to inconsistent outcomes, uncertainty, and administrative complexity for fishermen, developers, and regulators. In June 2022, BOEM released its Draft Fisheries Mitigation Guidance, and the participating states continued their collaborative efforts to identify how a compensation framework might be administered at a regional scale.

Building on that foundation, the participating states convened governance and technical workgroups, solicited extensive public input through a Request for Information and accompanying Scoping Document released in December 2022, and refined the concept through stakeholder feedback received from commercial fishermen, for-hire recreational fishing interests, offshore wind developers, subject matter experts, government agencies, and members of the public. Those efforts culminated in a Final Scoping Document released in 2023, and shortly thereafter two additional states joined the existing nine to bring the group to eleven (Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Maryland, Virginia, and North Carolina (the "States")). Recognizing the need for an independent entity capable of administering a regional compensation framework, NYSERDA issued a competitive solicitation in 2024 seeking a qualified RFA. Following that process, BrownGreer, in partnership with The Carbon Trust, was selected to serve as the RFA and tasked with working collaboratively with stakeholders to develop a practical, transparent, and administratively workable framework for the management and distribution of fisheries compensation funds associated with offshore wind development.

Around the same time, the States initiated the formation of a Design Oversight Committee ("DOC") and For-Hire Committee ("FHC") to provide advice, guidance, and support to the RFA during the design and development of the Draft Framework. There was an open application process for commercial and for-hire seats, and to the extent possible, membership was allocated for balance across region, fisheries, and other criteria like size and type of fishery business. Potential committee members were evaluated and recommended by a group of advisors from the fishing industry, States, and developers, who helped establish the procurement guidance and helped select the RFA. The States confirmed their final recommendation of the advisors. The DOC is composed of six members and six alternates representing the commercial fishing industry; three members and three alternates representing the offshore wind development industry; and three members and three alternates representing state governments. The FHC is composed of three members and one alternate representing the for-hire/recreational fishing industry; one member and one alternate representing the offshore wind development industry; and one member and one alternate representing state governments. Additionally, ex-officio DOC and FHC liaisons from BOEM and NOAA were identified to provide technical information and subject matter expertise throughout the engagement process.

As detailed more fully below, in November 2024, the RFA commenced an extensive stakeholder engagement process involving the DOC, FHC, commercial fishermen, for-hire fishermen, fishing organizations, offshore wind developers, state agencies, federal subject matter experts, and other interested parties. Current and past members of the DOC and FHC, as well as many dozens of other external stakeholders, have committed countless hours, immeasurable experience and expertise, and invaluable opinions and insights to this effort. Each of these vital contributions shaped this Draft Framework and will continue to shape the design process yet underway.

The incorporation of any one design choice is not a rejection or dismissal of any stakeholder's support for a potential alternative choice, but rather an adoption of what, based on all inputs and considerations assessed, is intended to allow for a fair, balanced, and functional Draft Framework under the highly unique circumstances contemplated here. Importantly, much opportunity remains during the public comment period both for the DOC and other stakeholders to provide more input, and these draft design elements may be modified based on comments received or otherwise before the Draft Framework is finalized.

The purpose of this effort is not to determine whether offshore wind projects should proceed, or to resolve broader policy debates at the federal, state or local levels regarding offshore wind development. Rather, the objective is to develop a fair, functional, and administratively workable Draft Framework that can be used when fisheries compensation funding is made available for an offshore wind project. The Draft Framework seeks to provide an orderly mechanism for distributing compensation in a manner that is grounded in established design principles, reasonably reflects economic impacts, and can be implemented consistently across projects and fisheries.

A recurring topic throughout stakeholder discussions has been the concept of “money in” – that is, the amount of compensation funding available for any particular offshore wind project. That amount, and any conditions associated with that funding, are determined through processes outside the control of the RFA and the Draft Framework. Accordingly, this Draft Framework does not attempt to determine how much funding should be available for compensation. Instead, it focuses on how compensation could be administered once funding and any applicable project-specific parameters have been established. In other words, the Draft Framework is principally concerned with the fair and efficient distribution of available compensation funds rather than the negotiation or establishment of those funds. Therefore, the Draft Framework acknowledges certain realities that fall outside of RFA control, and it describes draft design elements within the scope of the RFA’s design mandate.

The design concepts presented in this Draft Framework reflect a consensus-driven effort to provide stakeholders with a thoughtful and realistic option for advancing regional fisheries compensation discussions. The Draft Framework, though, does not purport to resolve every issue or fully satisfy every stakeholder preference. In many instances, stakeholders expressed significantly differing views regarding the appropriate path forward. Therefore, this Draft Framework necessarily cannot be a mere recitation of consensus. The draft design elements presented here reflect exhaustive analysis and consideration of core interests and concerns expressed in caucus meetings to date, recognizing that critical DOC, FHC, and other stakeholder feedback still will come.

This Draft Framework is not a final protocol. It is intended to consolidate complex design issues for public review, communicate the principal approach contours currently under consideration, and facilitate further discussion and feedback. The Draft Framework includes foundational details and rationale on working design choices, leaving open, though, the opportunity for more definitional and design refinement through public feedback. Stakeholder input remains an essential component of the process, and the concepts described in this Draft Framework may continue to evolve as additional feedback is received and design considerations are refined.

Following public comment and any appropriate revision to the Draft Framework, a final framework will provide a thoughtfully developed solution that may be considered, in whole or in part, for adoption, modification, or other use in connection with any potential future offshore wind developments on the Atlantic Coast that provide project-specific fisheries compensation.

IV. STAKEHOLDER ENGAGEMENT SUMMARY.

The RFA has conducted robust, highly active, and thoroughly in-depth engagement with stakeholders throughout this project. This Draft Framework reflects extensive collaboration with commercial fishing interests, for-hire recreational fishing interests, offshore wind developers, state and federal agencies, technical experts, and other stakeholders over nearly two years of active design development. Throughout this process, the RFA sought to identify areas of consensus, understand areas of disagreement, evaluate alternative approaches, and refine design concepts in response to stakeholder feedback. Although stakeholder participation does not imply endorsement of any particular Draft Framework component, the activities summarized below demonstrate the substantial effort devoted to ensuring that a diverse range of perspectives, expertise, and practical experience informed the development of this Draft Framework.

Summaries of the RFA's stakeholder engagement can be found on the RFA's public website: https://www.rfainfo.com/Home/ProgramEngagement. Highlights of this engagement include:

1. Between October 1, 2024, and August 31, 2026, the RFA held nine full DOC meetings (including eight virtual and one held in-person in Gloucester, MA) and seven FHC meetings.

2. The RFA coordinated and directed regular caucus meetings within each DOC caucus and the FHC fishing industry caucus. Between October 1, 2024, and August 31, 2026, the RFA facilitated 19 commercial fishing caucus meetings, 13 state caucus meetings, 25 developer caucus meetings, and four recreational fishing caucus meetings.

3. The RFA also met with ex-officio members from BOEM 14 times and NOAA four times, with NOAA personnel ultimately joining state caucus conversations on a regular basis to provide the state caucus technical guidance on scope-related fisheries data and management considerations.

4. Within the DOC, the RFA assembled three dedicated subcommittees with interdisciplinary representatives from each caucus to address specific design components requiring more detailed discussion. Between October 1, 2024, and August 31, 2026, the RFA held eight shoreside business subgroup meetings, four business transferability subgroup meetings, and five expedited construction disruption subgroup meetings.

5. Outside of the DOC and FHC, the RFA engaged additional stakeholders extensively through dockside meetings, video calls, and presentations at conferences and fishery meetings throughout the region. The RFA team hosted a public webinar that attracted an audience of 140 people (recording here) and held over 50 individual or small group meetings (documented in the public stakeholder engagement memos). In addition, the RFA presented ideas under development and gathered feedback at various meetings including three presentations for the 11-State working group on offshore wind compensation, seminars at the Maine Fishermen's Forum in 2025 and 2026, the International Partnering Forum (IPF), and NYSERDA State of the Science. The RFA team has attended and presented to the New England and Mid-Atlantic Fishery

Management Council (NEFMC and MAFMC) meetings and the Integrated Stockfish Management Plan Policy Board of the Atlantic States Marine Fisheries Commission. Additional presentations and Q&A sessions were held with MA Fisheries and Habitat Working Group, the Responsible Offshore Science Alliance ("ROSA"), Stellwagen Bank Charter Boat Association, and the NH Fish & Game Advisory Committee on Marine Fisheries, as well as other fishery organizations throughout the region.

6. Further details on topics discussed can be found on the website in the stakeholder engagement memos (available here), through the DOC/FHC meeting summaries (available here), and in the set of design exploration questions presented and worked through in detail with each caucus (available here). Throughout the engagement period, input and discussion have been structured around the following areas:

    (a) Considerations of general process design, Program principles, and claimant eligibility for a Program;

    (b) Specific claimant eligibility considerations, including fishing history, the lookback period, and business/vessel transfers for a Program;

    (c) Compensation calculation framework and documentation requirements including compensable claim types, required documentation, loss/claim valuation, and a two-track claims process for a Program; and

    (d) Program mechanics including operational, administrative and resource considerations to file a claim and provide claimant assistance.

7. Additionally, during the public comment period the RFA team plans to host a public webinar and present the Draft Framework at various state and federal fishery meetings including the NJ Marine Fisheries Council, NH Fish & Game, NYSERDA Fisheries Technical Working Group ("F-TWG"), NY Marine Fisheries Advisory Committee, MA Commercial Fisheries Commission, NEFMC, and MAFMC, among others.

V. DRAFT FRAMEWORK DESIGN PRINCIPLES.

This Draft Framework was developed through the application of a set of foundational stakeholder-generated design principles that informed discussion throughout the process. Because the Draft Framework required the evaluation of numerous competing approaches, tradeoffs, and stakeholder perspectives, these principles served as the primary criteria against which potential design choices were assessed. Although individual stakeholders often differed on specific approach outcomes and which principles to prioritize, the Draft Framework seeks to remain grounded in a core set of principles. These principles, described below, provided the foundation for the Draft Framework's architecture and are intended to guide both interpretation of the Draft Framework and future implementation decisions where circumstances may require the exercise of judgment or discretion.

A. **Background**.

1. Mitigation Hierarchy. The Draft Framework and its focus on direct compensation to fishermen reflects the fifth of five mitigation measures generally required as part of the federal and/or applicable state permitting processes for offshore wind ("OSW") projects along the Atlantic seaboard. Before addressing compensation for impacts resulting from OSW development, the following mitigation steps are typically required:

   (a) Avoiding adverse effects altogether by not taking certain actions or parts of an action;

   (b) Minimizing adverse effects by limiting the degree or magnitude of an action and its implementation;

   (c) Rectifying adverse effects by repairing, rehabilitating, or restoring the affected environment; and

   (d) Reducing or eliminating adverse effects over time by preservation and maintenance operations during the life of the action.

2. Operation Continuation. The Draft Framework will acknowledge that the goal is for fisheries to continue to operate but that uncertainty exists regarding the precise impacts of OSW development over time and whether any fishing community member may experience displacement.

B. **Individual Principles**.

1. Consistent. The Draft Framework will provide a consistent means to apply for, determine, and allocate monies to eligible recipients.

2. Equitable. The Draft Framework will treat impacted fishermen equitably regardless of fishery, home or landing port, or state affiliation. Equity requires that similarly situated claimants are treated alike and that compensation corresponds to actual, verifiable impacts.

3. Fair. The compensation that the Draft Framework provides and the participation processes the Draft Framework implements will be fair and reasonable.

4. Transparent. The Draft Framework will be clearly explainable, its methods publicly available, and its aggregated results publicly shared, to ensure accountability and equal treatment of all claimants, while protecting the confidentiality of proprietary data.

5. Impact. The Draft Framework will fairly and reasonably compensate those active fishing enterprises that suffer verifiable losses by OSW development and should do

so according to the degree of their unrecovered individual costs and losses (*i.e.*, those who have greater losses/costs should be commensurately compensated) without disincentivizing fishing activity.

6. Efficient. The Draft Framework will consider administrative efficiencies and limit administrative burdens for all relevant parties wherever reasonably possible, but will not use efficiency as a justification to deny or undercompensate legitimate claims.

7. Intuitive. The Draft Framework will be straightforward, accessible, and easy for participants to understand, considering the complexity and burden on the applicants wherever reasonably possible. Intuitiveness means not only that the Draft Framework is easy to navigate, but also that no claimant is unreasonably disadvantaged by language, technology, or lack of administrative resources.

8. Authentic. The Draft Framework will use objective, verifiable, and best available data and evidence wherever reasonably possible and discourage manipulation that would disadvantage affected fishing businesses.

9. Incentives. The Draft Framework will be designed to sustain active commercial fishing operations and protect the long-term viability of the fishing industry and fishing communities, not incentivize withdrawal from the industry or reduction in effort or landings.

10. Comprehensive, *aka "The 90/10 Rule*." Fisheries along the Atlantic Coast are extremely diverse. Regional Program rules would become too cumbersome and unwieldy if they attempted to incorporate highly detailed and extremely nuanced accommodation for every possible unique scenario across the entire Coast.

    Thus, the Draft Framework's rules will reflect inclusiveness of the vast majority of likely claim scenarios and should afford restrained flexibility for outlier cases. No claimant will be excluded solely on the grounds of being an outlier; all legitimate claims will be recognized.

VI. FUND ALLOCATION.

The RFA and the Draft Framework are not involved in offshore wind permitting, the consistency process, or any other regulatory approval procedure or negotiation. Of course, states, developers, and federal regulators are welcome to use the principles of the Draft Framework when negotiating and regulating the terms of agreements. The RFA, however, does not have a role in these regulatory and negotiation processes.

In this context, the RFA will receive a series of inputs over which it has no control:

1. One primary input is the total amount of fisheries compensation a developer will fund for a given offshore wind project.

2. Other pre-determined inputs may include allocation of that total amount between fund types, claimant types, claim types, or otherwise.

3. To the extent that the RFA receives predetermined inputs, the RFA will adopt and incorporate those inputs into the administration of that offshore wind project within the Draft Framework. In the absence of direction on how to allocate funds, the RFA will allocate total funds available using the core architecture described in Section VII below and based on the principle that compensation should be commensurate with adverse economic impact. In other words, eligible fishing businesses experiencing the greatest adverse economic impact caused by the offshore wind project should receive the greatest amount of compensation. That distribution principle will be borne out in different claim tracks within the Draft Framework's architecture. In accordance with this principle, and in the absence of predetermination, the Draft Framework would seek to preserve a substantial portion of available funds for documented individual economic losses, recognizing that compensation distributed through expedited claim tracks necessarily reduces the funds available to those fishermen who ultimately demonstrate comparatively greater project-related adverse economic impacts.

Additionally, this Draft Framework addresses compensation mechanisms for demonstrated economic impacts associated with offshore wind development and does not attempt to comprehensively address all potential fisheries mitigation or fishing community support measures. Stakeholders frequently have identified resiliency, adaptation, and similar funding mechanisms that may address fishery-wide and/or cumulative potential impacts of offshore wind for certain needs, projects, activities, or expenditures not addressed by the direct compensation approaches discussed in this Draft Framework. These other initiatives warrant continued attention in the broader regional discussion regarding fisheries and offshore wind development.

Reader Note: As explained in the Draft Framework's Introduction, we have consistently heard "money in" questions from all caucuses and external stakeholders, and we also have heard many conversations regarding possible support to fishing communities from resiliency funds and other mechanisms outside of direct economic loss compensation. This section aims to provide clarity around what is in the RFA's control and what is not. The RFA will work with the inputs it receives regarding the total amount of funds per project, as well as any other conditions or inputs. The ideas below in the Draft Framework Architecture section will guide the RFA's decisions on a particular project if they are not defined in the inputs.

VII. Draft Framework Architecture.

A. Overview.

The RFA will implement this multi-track architecture in situations where states, developers, and federal regulators do not provide explicit instructions to use a different approach. This default core architecture for the Draft Framework will include:

1. an Offshore Export Cable Corridor ("OECC") Claim Track for construction-related OECC access restrictions;

2. an Expedited Construction Disruption Claim Track for construction-related disruption claims in the Project Area; and

3. an Individual Review Claim Track for documented claims of economic loss experienced in the Project Area during construction, operations, or both.

The RFA acknowledges that decommissioning is an important phase for compensation consideration, and principles of the construction phase design may be appropriate for use with decommissioning claims, but the Draft Framework does not include design parameters for decommissioning because that phase is out of scope for this RFA engagement, requires additional knowledge not available at this time, and, accordingly, has not been a focus of stakeholder feedback or design analysis. The RFA likely would use adaptive management and lessons learned from administrating fund procedures for the construction phase and apply appropriate measures for any future use of funds associated with a decommissioning phase.

Reader Note: This structure is designed to align different types of project impacts with the most appropriate compensation mechanism—a dedicated OECC track for discrete corridor-related considerations, paired expedited and individual paths during construction to address short-term disruption versus demonstrable loss, and an individual path during operations to address potentially ongoing but variable impacts. By segmenting the Draft Framework this way, fishermen have accessible, right-fit options for every impact scenario while giving all stakeholders confidence that compensation is targeted, proportionate, and administered through a coherent, scalable system that avoids unduly over- or under-compensating any single category of impact. Significant caucus discussion occurred around potential inclusion of an expedited *track within the operations phase, and the RFA developed detailed treatments of such an approach, however, the caucuses generally favored elimination of an expedited track during operations as a further means of preserving available funds for persons experiencing demonstrable economic impact during project operations.*

Additionally, some stakeholders have advocated for compensation based principally on historical use of fishing grounds and anticipated displacement associated with offshore wind development, while the RFA's charge has been to design an approach centered on economic impacts and compensation. The architecture described in this Draft Framework seeks to – within the RFA's scope for this project – accommodate both perspectives by providing expedited elements that offer broad access to modest, streamlined compensation without requiring proof of individual loss while preserving individual review mechanisms as the primary path for recovery of larger payment amounts tied to demonstrated economic impacts. In this way, the Draft Framework acknowledges concerns regarding potential displacement while remaining grounded in the foundational principle that compensation should be commensurate with documented economic effects.

B. Participation "Eligibility" for All Tracks.

(a) Eligibility and Compensation. "Eligibility" and "compensation" are critically distinct concepts within the Draft Framework and should not be conflated. Eligibility relates to establishing whether a fishing business has the opportunity to participate in a particular claim track and submit a request for compensation, where "compensation" reflects the actual receipt of a payment of funds. Eligibility does not establish that a compensable loss occurred, does not determine the amount of loss compensation that may ultimately be awarded, and does not create any presumption that a claimant will receive compensation for individual loss. Rather, eligibility functions as a threshold determination that permits a claimant to proceed into the applicable review process, where any additional requirements for compensation are evaluated.

(b) Draft Framework Approach to Eligibility. As set out more fully below, the Draft Framework contemplates multiple claim tracks designed to address different circumstances and achieve different goals. Because these tracks serve different purposes, there may be valid reasons for eligibility requirements to differ among them. At the same time, consistency and simplicity are important Draft Framework objectives and have been priorities across design issues, including eligibility. Therefore, this Draft Framework uses the same set of "eligibility" criteria for each claim track in an effort to reduce claimant confusion, promote administrative efficiency, and increase confidence that similarly situated fishing businesses are being treated similarly across the Draft Framework.

(c) Standard Eligibility Rule. The "eligibility" rule used throughout this Draft Framework requires that a commercial or for-hire recreational fishing business must have earned business revenue from fishing at least one day per year in the Project Area for at least three years out of the 10 years immediately preceding the applicable offshore wind project's "Final Investment Decision" ("FID"). Fishing businesses not meeting this eligibility rule would need to petition for excepted treatment under Section IX below.

(d) Permit and Authorization Continuity. For purposes of determining eligibility, historic fishing activity generally must have been conducted under the same or substantially similar permits, endorsements, and/or fishing authorizations as those under which the fishing business seeks compensation through the applicable claim track. Fishing activity that differs materially may, with detailed explanation, be considered under the exceptions process in Section IX below where strict application of this principle would produce an inequitable result.

(e) Data Hierarchy. To the extent available, fishing location history generally should be demonstrated with Vessel Monitoring System ("VMS") data and otherwise with Automatic Identification System ("AIS") data or Vessel Trip Reports ("VTR"). Personal logbooks, chart plotter tracks, handwritten notes, or other vessel-maintained logs may supplement VMS, AIS, and VTR but typically would not be expected to serve as the sole source of fishing location history. Observer data, survey data, and other reliable sources of information also may be considered. Appendix 1 to this Draft Framework describes the practical realities, strengths, limitations, and accessibility constraints associated with fisheries data that may be used to evaluate eligibility, fishing activity, geographic reliance, and economic loss under the Draft Framework. Relatedly, Appendix 2 to this Draft Framework describes how protecting the security and confidentiality of participant data will be a core responsibility of any Program and provides anticipated best practices to consider in that regard.

(f) Business Transfers. Appendix 3 to this Draft Framework sets out the Draft Framework's treatment of business transfers that interrupt standard claimant eligibility timelines.

Reader Note: The Draft Framework requires a baseline level of historical participation within the Project Area to ensure that eligibility is tied to actual use of, and connection to, the Project Area where the offshore wind development is located. Accepting one day of commercial fishing activity as qualifying a particular year for eligibility recognizes that fishing activity can vary significantly from year to year due to biological conditions, market forces, regulatory constraints, weather, operational decisions, and other factors. The requirement that a fishing business have operated within the Project Area during at least three of the 10 years immediately preceding FID is intended to balance inclusiveness with program integrity by recognizing the dynamic nature of fishing activity while still requiring a meaningful historical nexus to the Project Area. The 10-year period accommodates most cyclical, episodic, and variable fisheries, while the three-year threshold helps distinguish businesses with a genuine history of participation from those with only isolated or incidental activity. The DOC and FHC considered many and varying time horizons and activity levels to qualify someone to seek compensation within a regional program. Periods longer and shorter than 10 years have differing degrees of support from different participants in the process. The DOC and FHC also expressed differing perspectives on including the idea of recency in eligibility criteria as well. A period focused on 10 years of activity is not intended to dismiss the importance to the fisherman, his or her family, or the broader community and industry of fishing activity that occurred more than 10 years ago; rather, it is an acknowledgment of that fisherman's activity that is more likely to reflect potential for economic loss caused by an offshore wind development, and it correspondingly should promote the aim of preserving funds for those fishing businesses experiencing greater impact. Prioritizing VMS and, if not available, AIS and VTR data reflects the Draft Framework's preference for more objective and verifiable information reasonably available to establish *historical fishing activity and Project Area reliance, recognizing, as discussed more fully in Appendix 1, that these data sources do have certain limitations. By allowing logbooks, chart plotters, and other sources to supplement the preferred data, the Draft Framework acknowledges the reality that fisheries data often must be considered in combination and provides a path for for-hire fishing businesses and commercial fishing businesses operating in so-called "data-poor" sectors, where objective records may be limited, incomplete, or unavailable.*

C. Crew.

The Draft Framework is structured around claims submitted by, and compensation paid to, eligible fishing businesses rather than individual crew members, captains, or other personnel. The Draft Framework, therefore, does not establish a separate claim track for crew or prescribe whether or how compensation payments might be allocated among owners, crew, or other personnel in any particular manner. To the extent a fishing business receives compensation through the Draft Framework, any obligations regarding the distribution of funds to crew or other personnel are matters between the fishing business and such individuals under applicable employment agreements, share arrangements, or other legal obligations.

Reader Note: The DOC and FHC considered a wide range of potential approaches regarding the treatment of crew and other business personnel, including direct crew claims, crew-specific compensation allocations, and business-level compensation models. The DOC and FHC ultimately supported, and the Draft Framework adopts, a business-level approach in which compensation issues directly to fishing businesses without designating portions reserved for crew or naming personnel earmarked for specific allocation. The available fisheries data, economic records, permits, landings information, and loss methodologies used throughout the Draft Framework are principally organized around fishing businesses and vessel operations rather than individual personnel. This approach also promotes consistency across claim tracks, avoids the substantial administrative complexity associated with evaluating and distributing compensation among individual crew members, and reduces the risk of duplicate or overlapping claims. At the same time, the Draft Framework acknowledges that existing employment agreements, share arrangements, and other legal obligations may govern how compensation received by a fishing business is ultimately shared with crew or other personnel.

D. Offshore Export Cable Corridor Claim Track.

(a) Track Purpose. The Draft Framework includes an OECC Claim Track that provides an optional mechanism for one-time, advance compensation to qualified commercial fishing vessel businesses whose fishing activities are expected to be affected by offshore export cable construction and installation activities associated with an offshore wind project.

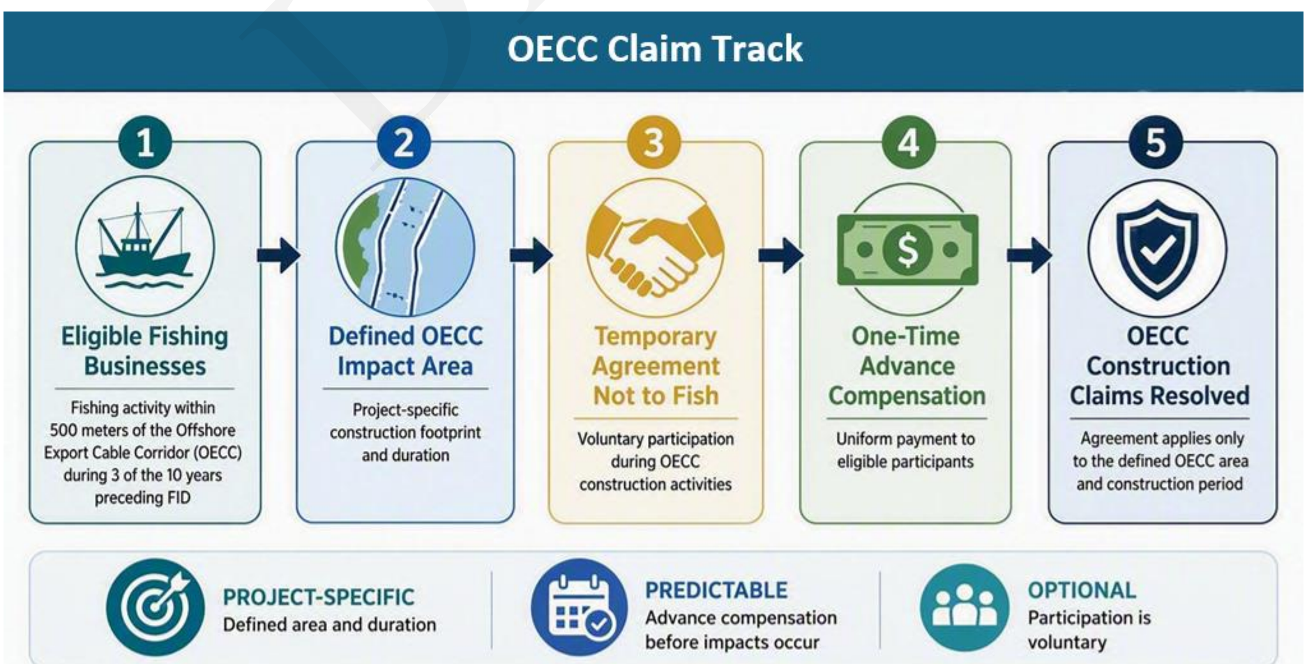
(b) Eligibility. Fishing businesses eligible for the OECC Claim Track are those that earned business revenue from fishing within 500 meters of the OECC (the "OECC Impact Area") during any three of the 10 years preceding FID.

(c) Participant Agreement. The OECC Claim Track will compensate eligible fishermen in exchange for a temporary, project-specific agreement not to fish within the OECC Impact Area during the OECC construction phase. Participating fishermen also agree not to pursue claims for gear loss or damage arising from fishing activity conducted within the OECC Impact Area during the period covered by that agreement. The OECC Claim Track does not foreclose the potential availability to participating fishermen of any gear loss or damage programs providing compensation for loss or damage occurring outside of the OECC Impact Area.

(d) Determination of Payment Amount. The RFA may receive as pre-determined inputs a total amount to allocate to OECC claims, the actual amount(s) to pay eligible fishing businesses, both, or neither. In the absence of pre-determination, OECC Claim Track payment amounts will be the same for each eligible commercial fishing claimant and the same for each eligible for-hire fishing claimant and will equal an amount the RFA determines is appropriate under the circumstances of the onboarded offshore wind project and the fund allocation principles in Section VI above. In determining an appropriate OECC Claim Track payment amount, the RFA may consider factors including: (i) the anticipated duration and scope of construction-phase activities within the OECC Impact Area; (ii) the degree to which those activities are expected to disrupt fishing operations or require temporary avoidance of the area; (iii) the number of potentially eligible fishing businesses expected to participate in the OECC Claim Track; and (iv) the total funding allocated to the OECC Claim Track.

(e) Scope and Duration. The OECC Claim Track addresses a specific anticipated construction footprint and duration for each offshore wind project, not an unlimited set of undefined possibilities. The RFA will communicate these specifics clearly to interested, eligible fishermen, and the OECC Claim Track payment and corresponding agreement not to fish would relate solely to the defined period of time and area.

(f) Relationship to Other Claim Tracks. The Draft Framework does not include an individual review track for claims associated with fishing within the OECC Impact Area. Fishing businesses seeking evaluation of unique, individual OECC impact claims during construction or operations would need to petition for excepted treatment under Section IX below.



Reader Note: The OECC Claim Track is intended to efficiently address short-duration, localized construction impacts by offering modest, standardized advance payments in exchange for temporary access restrictions, thereby reducing administrative burden and dispute risk for both developers and fishermen. By using objective eligibility criteria and uniform compensation without individualized review, the Draft Framework promotes predictability, rapid deployment, and equitable treatment while preserving fund resources for more material, longer-term impacts elsewhere in the Project Area. As the OECC design is a cooperation agreement in which fishermen receive a payment in exchange for agreeing not to fish in the corridor during construction, it is a construction-only track that does not extend into operations. The waiver of construction phase gear claims is intended to align with the participant's agreement not to fish within the OECC Impact Area during construction and is not intended to alter the treatment of gear damage claims outside the scope of that agreement. There will need to be significant input/consultation with appropriate stakeholders on determining project-specific parameters of the OECC program if it is not specified through Federal permits or state consistency.

E. Project Area (Excluding OECC) Claim Tracks.

1. Definitions.

(a) Project Area. The Project Area is the portion of a federal offshore wind lease area that is designated, approved, or used for the installation and operation of offshore wind generation facilities, including the turbine array footprint but excluding any OECC. A Project Area may encompass all or only a portion of a federal lease area and may be developed in phases.

Reader Note: The Draft Framework uses the "Project Area" rather than the broader lease area to tie compensation eligibility to the portion of the lease area actually designated, approved, and/or used for offshore wind development and avoids attaching eligibility to portions of a lease area that may never be developed. The Draft Framework does not incorporate a standard eligibility buffer around the Project Area because the Project Area's larger geographic footprint generally reduces concerns associated with spatial data limitations, the underlying eligibility standard is already broadly inclusive, and a universal buffer could unnecessarily constrain project-specific implementation decisions (in particular, if the COP for an individual project calls for a larger or smaller buffer due to the specific circumstances of that project), create overlap issues between neighboring projects, and introduce additional complexity regarding buffer distances and data sources without materially improving eligibility determinations.

(b) Construction. Construction encompasses all installation-related activities, as outlined in a project's MMA-approved Construction and Operations Plan ("COP"). See 30 CFR §§ 585.620, 585.626, and 585.631.

(c) Construction Period. The Construction Period is when physical installation and commissioning activities occur offshore in a Project Area, beginning with the first seabed-altering activity in a Project Area, following approval of a project's COP, and continuing until 95% of project capacity (expressed in megawatts) is installed, and the project is delivering any amount of power to the grid. The expected nameplate megawatts from the project can be related to the number of turbines installed; each turbine has an expected megawatt capacity contributing to the total megawatt capacity of the project. MMA or the project's developer will notify the RFA when these commencement and conclusion conditions are met, and the RFA will post those dates to the Regional Fund website. Construction period activities include, but may not be limited to, pre-lay grapnel runs, scour protection installation, cable laying, and wind turbine and offshore substation installation. Pre-construction geophysical and geotechnical surveys, along with other pre-construction activities, are not covered under this program.

2. Expedited Construction Disruption Claim Track.

(a) Track Purpose. The Expedited Construction Disruption ("ECD") Claim Track provides an optional path to one-time, advance compensation for assumed disruption to qualified commercial and for-hire recreational fishing vessel businesses caused by offshore wind construction.

(b) Eligibility. Eligible commercial and for-hire fishing businesses are those that earned business revenue from fishing at least one day within the Project Area during any three of the 10 years preceding FID.

(c) Claim Timing. ECD claims may be submitted up to 30 days in advance of scheduled project construction and may be submitted at any time before the close of project construction.

(d) Relationship to Individual Review Claim Track. The ECD payment does not include any assumed amount of lost revenue or increased costs due to offshore wind-related impacts – it reflects compensation for disruption only. Qualified fishing vessel businesses may – in addition to an ECD claim – pursue a separate individual review claim seeking recovery of demonstrated lost revenue or increased costs caused by construction of an offshore wind project. Receipt of an ECD payment amount does not in any way foreclose or offset potential receipt of an individualized review amount for a qualifying, documented economic loss.

(e) Determination of Payment Amount. The RFA may receive as a pre-determined input a total amount to allocate to ECD claims, the actual amount(s) to pay eligible fishing businesses, both, or neither. In the absence of pre-determination, the ECD Claim Track payment amounts will be the same for each eligible commercial fishing claimant and the same for each eligible for-hire fishing claimant, and will equal an amount the RFA determines is appropriate under the circumstances of the onboarded offshore wind project and the fund allocation principles in Section VI above. In determining an appropriate ECD Claim Track payment amount, the RFA may consider factors including: (i) the anticipated duration, intensity, and geographic scope of construction activities within the Project Area; (ii) the extent to which those activities are expected to disrupt normal fishing operations; (iii) the number of potentially eligible fishing businesses expected to participate in the ECD Claim Track; (iv) the total funding allocated to the ECD Claim Track; and (v) the anticipated demand for compensation through the individual review track and other claim tracks. The RFA may consider project-specific information available at the time of program implementation, which may include environmental review materials, construction plans and schedules, fisheries impact assessments, stakeholder inputs, compensation program parameters, funding allocations, and other relevant information.

<u>Reader Note</u>: The ECD Claim Track makes compensation available to eligible fishing businesses before the construction of a new offshore wind project begins based on anticipated construction-related disruption. The Draft Framework does not establish a specific ECD Claim Track payment amount or a specific portion of available funds to reserve for ECD Claim Track claims because both inquiries will be highly project-specific. As described above in Section VI, the Draft Framework would seek to preserve a substantial portion of available funds for documented individual economic losses, recognizing that compensation distributed through expedited claim tracks necessarily reduces the funds available to those fishermen who ultimately demonstrate comparatively greater project-related economic impacts. Given this intent, absent pre-determination, one project may warrant allocation of 5% of available funds to the ECD Claim Track, while another project warrants 20% or some other proportion, and the payment amounts provided in those scenarios could be the same or different depending on the number of disrupted fishing businesses and other factors. Additionally, the caucuses explored many options for this expedited track, including a tiering mechanism that would offer larger payments to those fishermen most disrupted by construction (as determined by recency, reliance on the area, longevity, and other metrics). In the end, though tiering has its merits, this version opts for a uniform payment that prioritizes the request for simplicity and low burden on data needs and administration, allowing those claimants who are most disrupted or otherwise impacted to pursue compensation for their experience through an individual review track.

3. Individual Review Claim Track.

(a) <u>Track Purpose</u>. The Individual Review ("IR") Claim Track allows claimants who experience demonstrable economic loss, and not just disruption or inconvenience, to seek reimbursement for demonstrated lost revenue and increased costs caused by an offshore wind project's construction or operation.

(b) Claim Timing. IR claims may be submitted once per calendar year, filed at any time within one calendar year of the close of the relevant year (*e.g.*, for impacts occurring in 2029, a loss claim is filed in 2030).

(c) Eligibility. Commercial and for-hire recreational fishing businesses that may submit IR claims initially are those that earned business revenue from fishing within the Project Area at any time during any three of the 10 years preceding FID. The RFA will evaluate on a project-specific basis whether any modifications to this standard eligibility rule should be made during an offshore wind project's operation, such as a modification to account for substantial passage of time after FID. For example, as a project moves beyond FID, circumstances may warrant rolling the qualifying 10-year period forward or otherwise finding methods to account for more recent fishing activity.

(d) Historic Performance Methodology. The economic loss recovery portion of the IR track compares the fishing business's current performance (both within and outside of the Project Area) against its historic performance (also within and outside of the Project Area) under substantially the same permits, endorsements, and/or fishing authorizations.

For commercial fishing businesses, historic performance is calculated by weighting the 10 years before FID in three bands for recency (most recent three years weighted highest, then next three years, then final four years) and establishing a weighted average of fishing landings and revenue on a per-fishing-day basis by species, using fishing days on which the applicable species was landed. (For example, if a commercial fishing business generated 200,000 pounds of longfin squid landings and $300,000 in longfin squid revenue during a year in which longfin squid were landed on 50 fishing days, that business had 4,000 pounds of squid landings per fishing day and $6,000 of squid revenue per fishing day.)

For for-hire recreational fishing businesses, the approach is similar to the foregoing, except bookings and revenue information will be captured as indicators of business activity and productivity in place of species landings and fishing days. (For example, if a for-hire fishing business booked 150 trips in a year and generated $225,000 in revenue that year, the business had $1,500 of for-hire fishing revenue per trip.)

Reader Note: The Draft Framework contemplates weighting historic performance in three bands but intentionally does not establish specific weights by band. There may be project-specific considerations that warrant weighting historic performance one way (e.g, 50% for the most recent three years, 35% for the middle three years, and 15% for the last four years), whereas a different project may have considerations warranting a different weighting scale (e.g., 75%/15%/10%). Additionally, the Draft Framework calls for historic and current performance to be "calibrated" by effort to allow for an apples-to-apples comparison of performance. In the commercial fishing context, this allows for comparison of pounds landed per fishing day and revenue generated per fishing day on a species-level basis. That way, the RFA can see what the fisherman used to do daily and what he or she does daily now. A fisherman who fishes 25% less *in a year of claimed loss (meaning 25% fewer days fishing) would still have a daily performance to compare against their historic daily performance. If they caught fish at the same rate on the days they did fish (or made as much money on the days they did fish), then there is no calculable loss on an "effort-adjusted performance" basis. If they did not catch and/or earn at the same rate on the days fished, then there may be a calculable loss. Consistent with the design principle to sustain active commercial fishing operations and protect the long-term viability of the fishing industry and fishing communities, the Draft Framework provides compensation for reduced performance and/or, as discussed more fully below, increased costs (e.g., fuel for longer steaming) on days actually fished. To receive compensation for not fishing at all, the fisherman would need to petition for an exception and demonstrate that they could not fish due to the offshore wind project. Capturing both landings and revenue in the commercial fishing context allows the RFA to evaluate changes in physical productivity separately from changes in market conditions, reducing the need for complex inquiries into inflation, pricing, profitability, and operating costs. Because comparable landings information is not available for for-hire claimants, the RFA will use trip- and booking-level information as a proxy for business activity and productivity. Revenue and booking information alone may not sufficiently distinguish between operational changes and broader market or demand conditions, and therefore eligible for-hire claimants may need to provide supplemental information reasonably necessary to evaluate potential causes of changes in business performance.*

(e) Loss Identification and Materiality Threshold. The RFA will compare historic weighted average performance against the claimant's fishing landings and revenue during a year of claimed loss, also on a per-fishing-day basis, to determine whether a loss exists.

To address natural variability, losses are registered only when a fisherman's current performance is materially worse than his or her historic performance. "Materially worse," if not pre-determined by project-specific conditions or negotiations, would provisionally mean performance outside of one standard deviation from the historic weighted average.

Where a claimant's year of claimed loss registers as "materially worse," the signaled loss amount (*i.e.*, the accounting loss) will be calculated based on the difference in landings and revenue per fishing day (relative to the standard deviation mark) using the average sale price per pound per species the claimant earned in the year of claimed loss.

(f) Causation Presumption and Fishery Performance Review. The Draft Framework assumes initially for eligible claimants that the applicable offshore wind project is a potential contributing cause of an accounting loss signaled. The Draft Framework also will require application of a fishery performance check to calibrate loss claims and assess potential alternative causes of the signaled loss that may indicate less or no loss attributable to the applicable offshore wind project. Specifically, the fishing business's change in performance should not be predominantly attributable to fishery-wide conditions that applicable fisheries data or fisheries management authorities indicate are affecting the fishery generally, including through fishery management actions, fishery disaster declarations, or other regulatory actions. Where such a circumstance exists, the RFA may determine that some or all of the signaled loss is attributable to factors other than the applicable offshore wind project. Where fisheries management considerations are relevant to evaluating a claim, the RFA may consider information from the applicable fisheries management councils, commissions, regulatory agencies, or other subject matter experts.

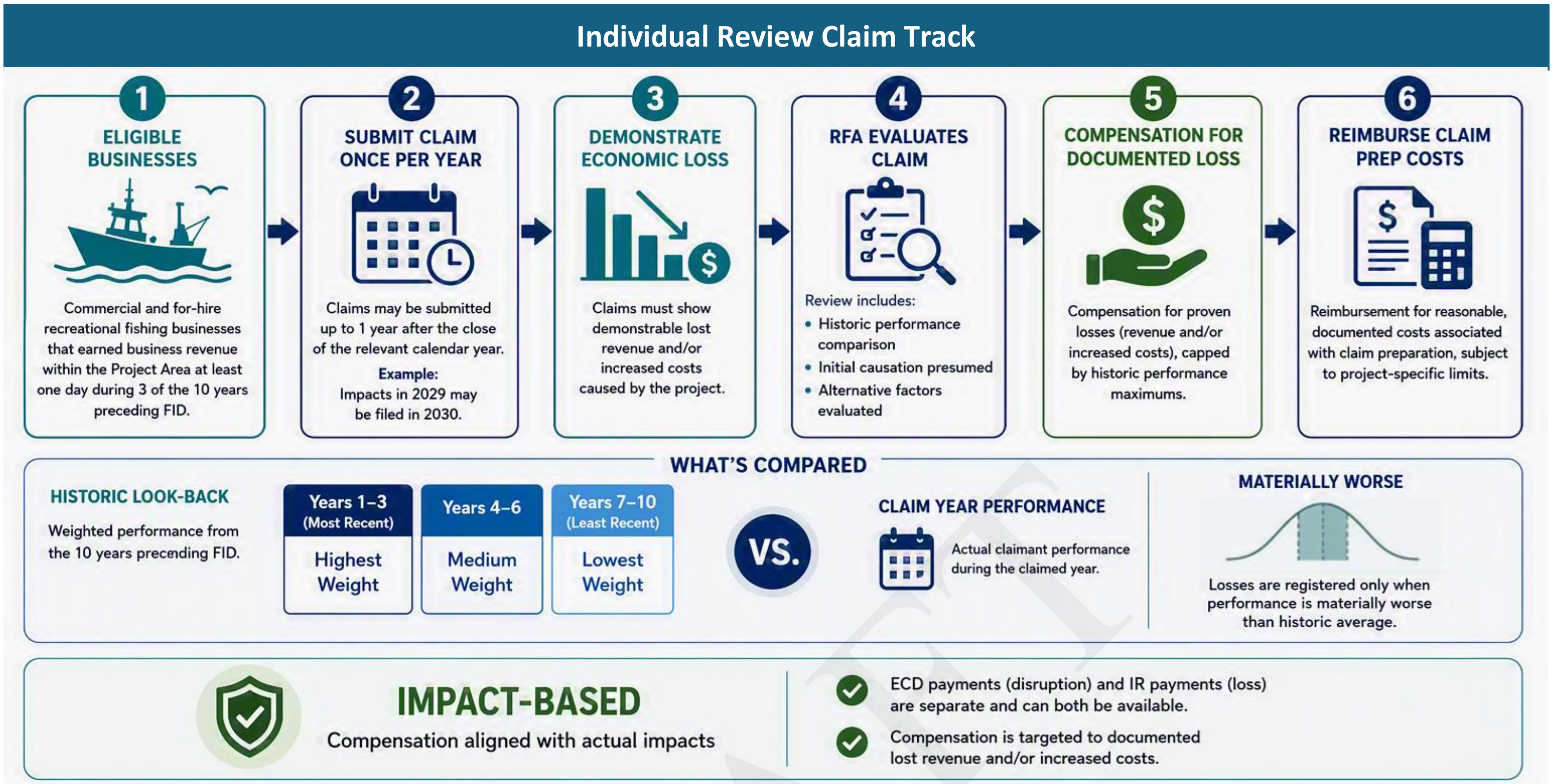
Reader Note: Critically, the Draft Framework's loss analysis begins with the assumption that a signaled accounting loss experienced by an eligible claimant may be attributable, at least in part, to the applicable offshore wind project. This significant burden shift is intentionally claimant-friendly but does require balance for fairness to all legitimate claimants. The objective of the Draft Framework is to compensate for project-related losses, not all losses a fisherman may experience. The fishery performance check therefore provides an important safeguard against attributing fishery-wide, external conditions to an offshore wind project when available evidence indicates those factors may have contributed materially to the claimed loss. Accordingly, the fishery performance check serves as a reasonableness mechanism to distinguish project-related impacts from broader conditions affecting the fishery generally and to calibrate compensation so that it more accurately reflects losses reasonably attributable to the applicable offshore wind project.

(g) Project Area Compensation Cap. An eligible claimant with a demonstrated loss should not receive annual compensation exceeding the claimant's maximum demonstrated historic performance within the Project Area. Accordingly, after a signaled loss has been identified and any applicable fishery adjustments have been made, the maximum annual loss amount that may be recognized for compensation purposes will be capped at the claimant's average Project Area performance during the three highest-performing years within the applicable 10-year lookback period.

(h) Increased Cost Claims. In addition to claims for reduced revenue, an eligible fishing business may pursue compensation for a material increase in a direct operating cost that is demonstrably attributable to the applicable offshore wind project. Increased cost claims must be supported by objective documentation establishing both the existence of the additional cost and a clear connection between the cost and project-related conditions. Costs that are speculative, estimated, indirect, unsupported, or attributable to generalized changes in business conditions are not compensable. Examples of potentially compensable increased costs may include a documented increase in fuel consumption resulting from a materially longer navigation route described in contemporaneous business records as attributable to the offshore wind project, or a separately identifiable insurance premium, rider, or similar charge specifically required for or attributable to fishing business operation within a turbine array. Claims for increased costs will be evaluated based on the quality of the supporting documentation and the extent to which the claimed cost can be directly linked to project-related conditions rather than broader industry conditions, market forces, or other non-project-related factors. Costs incurred to pursue new business pathways (*e.g.*, switching gear to target a different species) are generally not compensable. Such expenditures are assumed to be business decisions rather than direct economic losses attributable to offshore wind project impacts. Project-specific resilience, research, innovation, or transition programs may separately support such activities through separate funds, where established. In projects where dedicated resilience or adaptation funding is not available, a claimant seeking compensation for new business pursuits would need to petition under the exceptions process in Section IX below.

(i) Claims Preparation Cost Reimbursement. An eligible fishing business that receives compensation through the IR track may seek reimbursement of reasonable and documented costs incurred to prepare, assemble, and support its claim. Reasonable costs may include expenditures charged at market-competitive rates for accounting, bookkeeping, legal, consulting, technical, data retrieval, or similar professional services that were reasonably necessary to prepare, document, or support a claim. Unreasonable costs may include those that are excessive, duplicative, inadequately documented, unrelated to the claim, or disproportionate to the complexity or value of the claim. Only fees incurred pursuant to current verifiable business practices or bona fide, arm's-length transactions with independent third-party entities or professionals are eligible for reimbursement. The service providers must provide the relevant services in the ordinary course of their business to other clients generally and must possess qualifications, experience, or business operations reasonably related to the services performed. Potentially reimbursable expenses may include costs associated with obtaining, organizing, or analyzing fisheries records, accounting records, vessel documentation, or other information reasonably necessary to present the claim. Claims preparation costs must be supported by contemporaneous documentation and may not include contingent fees, success fees, speculative costs, costs associated with lobbying or advocacy activities, or expenses unrelated to the preparation of the claim itself. To preserve compensation funds for economic loss recovery and promote consistency across claimants, reimbursement of claims preparation costs will be capped at amounts determined on a project-specific basis. Claims preparation cost reimbursement is intended to reduce barriers to participation in individual review processes and is not itself a separate category of economic loss.

Reader Note: The RFA envisions efficient and intuitive processes that would make participation reasonably approachable. To the extent that a claimant who pursues compensation through the IR Track incurs costs to advance that claim, this section exists to provide appropriate opportunity for reimbursement.



VIII. <u>SHORESIDE BUSINESSES</u>.

<u>Reader Note</u>: This approach to Downstream Shoreside Businesses was developed by a cross-caucus sub-group that met eight times in 2025-2026. Early in the process the group decided that the RFA loss compensation framework is most applicable to downstream businesses such as pack houses and wholesalers, rather than upstream suppliers of goods such as ice, gear, or other supplies.

This version of the document does not include a detailed framework for calculating Downstream Shoreside Business losses but rather refers to the principles and frameworks that the RFA is developing for calculating losses for commercial fishing vessels. Group members signaled a few considerations that are unique to this calculation step for shoreside businesses, including:

1. *The information may be harder to independently validate (unlike fisheries data) and the RFA may have to rely more on the information provided by the entity itself.*

2. *There should be a connection between vessels impacted by OSW and the Downstream Shoreside Business. For eligibility, this connection is created by requiring first-order transactions from at least one commercial fishing business that has filed a claim and is eligible for compensation under the Draft Framework, through either the expedited or individual tracks. It is still less clear how that connection plays out in the step of calculating losses for the Downstream Shoreside Business.*

3. *Shoreside business claims will be channeled through the Individual Review Claim Track.*

A. Overview.

There are two categories of Shoreside Businesses that support the commercial fishing industry: downstream and upstream support businesses. This Draft Framework will compensate only Shoreside Downstream Support Businesses for unrecovered, documented revenue that is reduced or lost because of offshore wind development as measured between landing by the vessel through the first point of sale or first-order transaction by the processor or dealer to customer(s).

B. Definitions. This Draft Framework defines the following terms:

1. **Shoreside Downstream Support Business:** an onshore business entity that operates primarily the wholesaling and processing sector in the initial phase of distribution through the *first point of exchange* from fishermen into the marketplace (post-processing or dealer first point of sale), which typically involves unloading vessels, boxing and trucking raw product to dealers (packers and packing houses), auction houses, dealers purchasing directly from the harvesters, transferring raw product from boat to truck to plant in more vertically integrated fisheries, and fishermen as dealers transferring raw product to retail outlets like restaurants and retail grocery.

2. **Shoreside Upstream Support Business:** an onshore business entity that directly supports fishermen through services provided specifically for fishing, such as sales for bait, ice, gear, clothing, gasoline, equipment, and others.

3. **Shoreside Downstream Economic Loss:** a loss or reduction in the value added by the Shoreside Downstream Support Business to the affected fishery product, which for wholesale or processing Downstream Support Businesses is measured by the difference between the value or the volume at the first point of purchase (e.g., ex-vessel) and the Shoreside Downstream Support Business's first point of sale of the product; and for pack houses or independent businesses that involve unloading, boxing, trucking[1] and transferring raw product, loss is measured by the difference between the revenues earned through the first point of exchange. The lost value added by the Shoreside Downstream Support Business is directly linked to the lost or reduced volume of deliveries received from commercial fishing vessels/businesses that are eligible to receive compensation under the Draft Framework.

C. Eligibility Criteria.

To be eligible to receive compensation under the Draft Framework, the Shoreside Downstream Support Business must have:

[1] A trucking business in this context refers to an integrated (seafood company-owned) trucking operation or one that is otherwise dependent on the packing operation.

1. Been active and operated pursuant to all applicable federal and state legal and regulatory obligations during the "Eligibility Period" (at least one year before the date of the applicable project's FID);

2. Supported through direct, first-order transactions from at least one commercial fishing business that has filed a claim and is eligible for compensation under the Draft Framework, through either the expedited or individual tracks (see Section VII.E above).

3. Supported the commercial fishing businesses during the Eligibility Period; and

4. Experienced a demonstrable Shoreside Downstream Economic Loss.

D. <u>Loss Types</u>.

Shoreside Downstream Support Businesses may seek compensation for unrecovered economic losses if they earned less revenue than expected during the claimed year of economic loss, and the reduced revenues were because of offshore wind development in the relevant Project Area and at least one of the following reasons:

1. Reduced fishing/shipping processing volume and commensurate loss of revenue.

2. Transportation and other operating costs incurred increased costs to substitute product not available due to reduced volume from fishing in OSW areas from elsewhere.

3. Other reasons not described above, but within the Administrator's discretion to find compensable under the Draft Framework.

E. <u>Documentation and Supporting Proof</u>.

1. Eligibility.

To establish a Shoreside Downstream Support Business's eligibility to receive compensation under the Draft Framework, the Claimant must submit, where applicable, the following information from the Eligibility Period:

a. Proof of ownership of the Shoreside Downstream Support Business, such as tax documentation or incorporating documents;

b. Proof that the Shoreside Downstream Support Business was active and operated during the Eligibility Period;

c. A valid business license or certificate issued by the state(s) in which it does business;

d. A valid seafood dealer permit issued by the state(s) in which it does business;

e. A valid wholesale seafood dealer permit issued by the NOAA Fisheries Greater Atlantic Region;

f. Any other permits required to operate a commercial shoreside support business, according to the applicable state's laws;

g. Documents showing that the business generated wholesale seafood sales or wholesale shipping to dealers during the qualifying period;

h. Direct, first-order transactions from at least one commercial fishing business that has filed a claim and is eligible for compensation under the Draft Framework, through either the expedited or individual tracks.

2. Demonstration of Shoreside Economic Loss.

For the Administrator to calculate the Shoreside Downstream Support Business's economic losses for the claimed year of economic loss, the Claimant must provide proof of historical revenues and revenues for the claimed year of economic loss by submitting:

a. First-order transactions from a commercial fishing vessel/business that is eligible to receive compensation under the Draft Framework, during the X[2] years before the date of the applicable project's FID;

b. Annual revenues for the X years before the date of the applicable project's FID;

c. Monthly first-order transactions from a commercial fishing vessel/business that is eligible to receive compensation under the Draft Framework, for the claimed year of economic loss;

d. Annual revenues for the claimed year of economic loss;

e. Documentation of the lost or reduced portion of value added between the point of purchase (e.g., ex-vessel) of the affected fishery product and the first point of sale by the processor/dealer.

This proof may include documents such as monthly profit and loss statements, accounting reports, receipts of sales, landings records, tax filings and related documentation, bank records that show income deposits and supporting documents indicating the source of the funds, or other contemporaneous records kept and created in the ordinary course of business, etc.

[2] The number of years will be determined by the final design of the methodology used to calculate loss.

F. Calculating Losses.

When calculating compensable losses, the RFA will implement the same applicable principles and approaches as used with commercial fishing vessel losses, specifically around approaches to calculate historical look-back periods and compare those results to the claim year.

IX. Exceptions.

Consistent with the guiding principles in Section V, the Draft Framework must acknowledge that unique cases may warrant exceptions to the design contours above where strict application of the rules would produce an inequitable or unintended result due to unique or fact-specific conditions.

All exception requests must be supported by sufficient documentation and a clear explanation of the basis for the request, including the specific facts that distinguish the applicant's circumstances from those generally contemplated by the Draft Framework. The mere existence of hardship does not warrant an exception.

In evaluating requests, the RFA will apply the following principles:

1. Any exception must be consistent with the overall purpose and design of the Draft Framework, including preserving compensation for claimants experiencing comparatively greater impacts and equitable treatment of similarly situated participants.

2. The circumstances presented must be demonstrably unusual, non-recurring, or outside the scope of conditions reasonably anticipated by the established rules.

3. Determinations will be based on the credibility, completeness, and verifiability of submitted documentation. Where independent verification is not reasonably available, the RFA may consult with subject matter experts and/or evaluate the reliability and probative value of the documentation based on the totality of the circumstances, including the source of the information, the consistency of the information presented, historical business practices, and any other available supporting evidence.

4. The RFA will consider whether granting the exception would create unintended precedent or undermine the consistent application of the Draft Framework.

5. The RFA will have sole discretion to grant, deny, or condition any exception request. All determinations will be documented, and, to the extent practicable, the RFA will maintain internal guidance to promote consistent treatment of materially similar requests.

Reader Note: The goal here is for the Draft Framework to have clear and understandable rules that should accommodate the vast majority of circumstances while still being fair and responsive to truly unique circumstances. The approach allows flexibility where rigid application of standardized rules would produce inequitable or unintended results, while still requiring clear, well-documented justification for any deviation to preserve consistency, predictability, and fund integrity, as exceptions should be rare and not undermine the overall structure or create unintended precedent.

X. Claims Adjudication and Appeals Process.

1. **Initial Claims Evaluation.** The RFA will review claim submissions within 180 days of receipt of a complete claim package, with discretionary 60-day extensions, in which case notice will be given to the claimant. The RFA will then issue a determination, with notice to claimant, either (1) approving the claim's eligibility and indicating the amount a claimant will receive, (2) denying the claim's eligibility, or (3) identifying deficiencies in the submission.

2. **Opportunity to Cure.** Claimants whose initial submissions were deficient will have 60 days for a one-time opportunity to submit additional materials and/or information to cure the deficiency. The RFA will evaluate additional materials submitted in the same manner as initial claims, provided above.

3. **Reconsideration.** Claimants who disagree with the RFA's determination have 60 days following issuance of notice of either (a) initial eligibility denial or (b) a post-deficiency cure denial to submit, to the RFA, a written request for reconsideration of that determination and provide any additional information/materials in support of their argument. The RFA will evaluate requests for reconsideration and additional materials

submitted in the same manner as initial claims provided above.

4. **Appeal.** Within six months of notice of denial after reconsideration, a claimant may file a written notice of appeal with the RFA and submit the appeal to an appeals neutral (*e.g.*, a fisheries expert, a former judge, a claims administrator, or other possible qualified person or entity) who will manage the appeal and issue a final, non-appealable decision that is binding on the parties involved. The claimant will bear its own costs of appeal, but, if the appeal is successful, the Program will reimburse the claimant for such costs, to the extent that they are consistent with the reasonableness requirements described in Section VII.E.3(i) above.

Appendix 1

Acknowledging Limitations and Accessibility Constraints on Fisheries Data

Acknowledging Limitations and Accessibility Constraints on Fisheries Data

A. Introduction.

The purpose of this Appendix is to provide a summary of the realities of fisheries data that may be used to support a compensation or claims process associated with fishing impacts caused by offshore wind development. This Appendix summarizes the primary types of data that exist; the extent to which those data are relevant for determining eligibility or loss; the limitations inherent in each dataset; and impediments to accessing the information. While access impediments are real and many datasets may have material limitations when viewed in isolation, a thoughtfully designed and implemented compensation program should be able to effectively manage those access challenges and draw upon multiple sources of information in combination to responsibly establish fishing activity, location, eligibility, and economic loss. The aim of this Appendix is to candidly acknowledge these realities and constraints so that a regional compensation framework is not built upon assumptions regarding fisheries data that are impractical, unavailable, or unsupported.

The summaries in this Appendix reflect the RFA's understanding based on stakeholder input and supplemental research, and they provide a higher-level illustration without intending to detail every possible factor or consideration. This Appendix is offered for informational purposes for clarifying certain of the realities that the Framework must acknowledge in its design process. Nothing in this Appendix is intended to express criticism of, or pass judgment on, any statute, regulation, policy, fisherman, fishery, government agency, data-collection program, offshore wind developer, or other stakeholder. This Appendix is intended solely to promote a shared understanding of the practical constraints associated with existing data so that compensation program design discussions can proceed with clarity, transparency, and realistic expectations.

B. Potential Uses and Limitations of Relevant Fisheries Data.

As a threshold acknowledgment, NOAA fishing data and data programs were never intended to be used beyond fisheries management. Thus, the data available must be repurposed, with all its limitations, to account for or estimate potential fishing impacts from offshore wind development at a higher spatial resolution than originally intended when relevant data collections were initiated. Below is a list of the primary types of federal and other data that likely have utility in a regional fisheries compensation framework, inclusive of descriptions of anticipated limitations of each data type. No singular data set includes all attributes of a vessel's fishing activity, revenue, and dependency on a given area, but the categories below each can tell parts of the story, and multiple data sets can be used together to support claims.

1. Vessel Trip Reports (VTR).

VTRs constitute the broadest and longest-running source of trip-level fishing information available for federally managed fisheries. GARFO-permitted vessels have been required to file VTRs since the inception of federal fishing permits beginning in the mid-1990s. VTR location information exists as far back as approximately 1994, although integration with other data sources —such as dealer reports—did not begin until the mid-2000s, with footprint modeling available only from 2008 onward.

VTR data are maintained by NOAA and are generally available upon request to persons or entities authorized to receive such information under Section 402 of the Magnuson-Stevens Fishery Conservation and Management Act and applicable confidentiality regulations. VTRs supply a single reported point location within each defined statistical area for each trip, along with trip-level characteristics such as date ranges, gear used, and number of tows. Importantly, VTRs also include trip-level information about fish caught, such as the species and quantities retained as reported by the fisherman. However, the point location certainly does not represent the full spatial footprint of the trip. While the reported trip location is intended to be representative of fishing activity for the entire trip, the accuracy of the reported fishing location is left to the vessel operator and that may vary by vessel. VTR-based footprints, as developed by NOAA upon request of BOEM, require probabilistic expansion around the reported point, which introduces uncertainty about where fishing in fact occurred. Because VTRs lack tow-level coordinates, they cannot pinpoint the exact locations of fishing effort. Consequently, VTRs tend to overestimate the number of trips associated with a given fishing area, while underestimating revenue associated with those trips when used for spatial attribution. (*See* Allen-Jacobson et al. (2023), *Marine and Coastal Fisheries*.)

Thus, VTRs provide general evidence that a vessel fished somewhere near the reported point within that trip. VTR data, therefore, requires additional modeling—such as footprint circles, effort assumption, or cross-reference with other data—to support spatial inference, and supplemental data may be necessary to provide spatial specificity.

2. Vessel Monitoring System (VMS).

VMS provides vessel position information at fixed intervals for vessels in fisheries where it is required. Requirements were implemented gradually across fisheries, so VMS availability differs historically by fishery and year. For example, VMS requirements were implemented in some fisheries before 2000, while others were implemented as late as 2017 (details by fishery available in NOAA's Information Needs to Assess Fisheries Socioeconomic Impacts from Offshore Wind Energy Projects in the US Greater Atlantic Region). Today, not all GARFO permitted vessels are required to use VMS. For fisheries that require the use of VMS, nearly all landings in those fisheries are made by VMS-equipped vessels. However, VMS vessels are responsible for about 80% of annual landings for other important GARFO-managed fisheries that do not require the use of VMS (*e.g.*, summer flounder, scup, and black sea bass). In contrast, only approximately 20% of annual lobster landings are associated with GARFO-permitted vessels that use VMS. The percentage of vessels not using VMS may decrease as spatial tracking requirements expand in the region. Additionally, spatial resolution has changed over time, with hourly ping rates historically and more frequent pings in some fisheries (e.g., the scallop fishery moved to five-minute pings starting in 2024). Infrequency of pings can translate into possible spatial uncertainty in the data.

VMS data are maintained by NOAA and are generally available upon request to persons or entities authorized to receive such information under Section 402 of the Magnuson-Stevens

Fishery Conservation and Management Act and applicable confidentiality regulations. VMS provides ping positions and trip duration information, but does not systematically include catch information or conclusively indicate whether a vessel was fishing at any given moment. Accordingly, fishing activity must be inferred from factors like vessel speed and course that reflect patterns consistent with fishing activities. Fishing often occurs at slower, steadier speeds, while transit may occur at higher or more variable speeds; some fisheries tow at higher speeds that look like transiting (i.e., mackerel). Further, fishing often involves repeated tows along similar headings, sharper turns at tow ends, or back-and-forth patterns, while transit tends to be more straight-line paths. Thus, course changes help refine the inference to the extent that speed alone may not be enough, but neither provides definitive indication of fishing. Other analytical methods of defining fishing locations are being explored, but such work has not been completed to date.

3. Automatic Identification System (AIS).

AIS data is a vessel-tracking dataset that records frequent, automated position broadcasts from vessels equipped with AIS transponders. AIS is not a fishery-dependent reporting requirement and does not cover all fishing vessels. AIS carriage is required by the U.S. Coast Guard for certain classes of vessels based primarily on size and navigational safety rules. Specifically, AIS is required for commercial vessels greater than 65 feet in length, though fishing vessels that operate beyond U.S. territorial waters (12 nautical miles offshore) are not required to carry AIS or may be permitted to turn it off while outside of U.S. territorial waters. Many fishing vessels, therefore, are not required to carry or use AIS (particularly smaller vessels and vessels operating farther offshore).

AIS data have been available for fisheries-related analysis since approximately the mid-2000s, when satellite AIS coverage became operational, however, the effective start date for usable AIS data vary by region and provider, and there is no single regulatory “initiation year” comparable to VMS or VTR requirements. As of April 2026, only about 15% of GARFO-permitted vessels are over 65-feet long, indicating AIS use is only required for a very small portion of permitted vessels. Because the size distribution of actively fishing GARFO permits relative to AIS carriage requirements has not yet been evaluated, it is unclear whether AIS is representative of GARFO fishing activity like VMS, but based on the general limitations and size distribution of the fleet at large, it is not likely to be fully representative of GARFO fishing activities.

AIS data have limited public availability and typically must be purchased from private commercial vendors. Accordingly, a subscription to AIS data access software may need to become an operational cost for a regional program. Where AIS data exist, it provides high-frequency positional tracks that can show vessel movement patterns over time, including patterns that are reflective of fishing activities. However, AIS records vessel location only and does not explicitly identify fishing activity, gear deployment, or catch. Similar to VMS data, distinguishing fishing behavior from transit or other non-fishing movement requires inference based on speed, course, or track geometry, which varies by fishery and vessel type and introduces uncertainty, but concentrations of positions could be indicative of fishing locations. AIS tracks may also contain gaps due to signal loss, deactivation, or incomplete historical records.

4. Observers and At-Sea Monitors.

Observer-at-sea data are collected through federal and state fisheries observer and at-sea monitoring programs, in which trained observers are placed aboard a subset of fishing vessels to directly record fishing activity during individual trips. When present, observers collect highly detailed information, including gear type and deployment, tow-level or set-level timing and location, catch composition by species, discards, interactions with protected species, and in some cases operational characteristics such as vessel cost and crew data. Because these data are directly observed rather than self-reported, they reflect the most accurate and granular fishery-dependent dataset available.

Despite their high level of detail, observer data have significant limitations, primarily because coverage is extremely limited, with observers deployed on only a small fraction of trips, vessels, and fisheries in any given year. Additionally, many vessels are never observed at all. As a result, observer data likely are not representative of a vessel's full fishing history or of fleet-wide activity in a specific area. Observer and at-sea monitor data are maintained by NOAA and generally available at no cost upon request to the Northeast Fisheries Observer Program by persons or entities authorized to receive such information under Section 402 of the Magnuson-Stevens Fishery Conservation and Management Act and applicable confidentiality regulations.

5. Study Fleet.

The Study Fleet is a voluntary cooperative research program that originated in 2006 in which a small subset (approximately 50 vessels) of commercial fishermen operate their vessels "normally," but collect much more detailed data than required by regulation. These vessels provide more precise and higher-resolution information on fishing effort, including, in many cases, tow start and end times, location, and gear deployment details. This level of effort detail helps clarify where activity occurred relative to a project area more effectively than VTRs, VMS speed filters, or other inference-based methods. However, Study Fleet data only exist for a limited subset of vessels and trips each year, meaning coverage is incomplete and not representative of all fishing effort in a region. Additionally, like VTRs, Study Fleet data are self-reported by the vessel operator, not an independent observer.

Study Fleet participants can access their own vessel's data through NOAA-provided tools, most notably the GOFISH (Graphical Offshore Fishing Information System) Data Dashboard that allows individual participants to view and analyze data collected from their vessel using the FLDRS electronic logbook system.

6. Dealer Reports.

Dealer reports are a fishery-dependent dataset that records commercial landings when seafood is sold to federally or state-permitted dealers or processors. Dealer report data are maintained by NMFS and state agencies and may be available at no cost upon request by persons or entities authorized to receive such information under Section 402 of the Magnuson-Stevens Fishery Conservation and Management Act and applicable confidentiality regulations.

For each transaction, dealers report information such as species, landed weight, and ex-vessel value, typically linked to the harvesting vessel, date of sale, and dealer location. Because dealer reports capture the point at which fish enter commerce, they are the primary source of revenue and value data in federal fisheries systems and are commonly used to estimate landings value, baseline economic activity, and aggregate fishery revenues. However, dealer reports have no inherent spatial resolution. They do not record where fishing occurred, how many trips were taken, or where specific catch was harvested. Any attempt to associate dealer-reported landings with a particular fishing area requires linkage to other datasets—like VTRs, VMSs, or fishing-footprint models, and linking these datasets is already being done in other contexts. Dealer reports are linked to VTR records for every trip by a GARFO-permitted vessel submitted since 1996 through GARFO's Catch Accounting and Monitoring System (CAMS). The CAMS data serves as the primary source of fishery landings and revenue data for GARFO-permitted vessels.

7. Unreported Evidence.

"Unreported evidence" here refers to information that is not submitted to, stored by, or validated through any federal or state fishery-dependent data system, but that a fisherman may maintain personally—such as personal logbooks, chart plotter tracks, handwritten notes, fuel records, or other vessel-maintained logs. These materials may be able to help document patterns of activity, changes in operating conditions, or trip-specific impacts that are not captured in VTRs, VMS, dealer reports, observer data, or other official datasets.

However, unreported evidence, while it has utility, does have inherent limitations. It is not independently verified, may vary widely in completeness and quality, and may not conform to standard spatial or temporal formats used in federal data systems.

8. Contextualizing Limitations.

Importantly, the limitations described above do not render fisheries data unusable for compensation purposes. Rather, different datasets provide complementary information that a regional compensation program may reasonably and responsibly utilize. For example, vessel location information may be inferred from one source while revenue information is derived from another, and claimant-provided documentation may supplement both where appropriate. Accordingly, the principal challenge is not the absence of relevant information, but rather the need to responsibly integrate multiple sources of evidence, each of which alone may provide only part of the overall picture.

C. Data Accessibility Considerations.

Beyond the varying data availability and methodological limitations described above, significant impediments to accessing existing data exist for a regional fund administrator. While these constraints are material, they do not prevent access to relevant fisheries information where appropriate authorization procedures, agency cooperation, claimant participation, and thoughtful program design are incorporated into the framework. Rather, these realities mean that fisheries data will often need to be obtained through coordinated processes involving agencies, fishermen, and the administrator, rather than through direct administrator access to the underlying datasets.

1. Data Access is Restricted by Federal Confidentiality Rules and Vessel Ownership Changes.

The Magnuson-Stevens Act's confidentiality provisions strictly limit federal fisheries data access to protect businesses and individuals. Specifically, other than the individual fishermen who submitted and may access their own data, the primary entities that can access confidential federal fisheries data include:

1. NMFS employees;
2. A NMFS-funded and NMFS-retained contractor;
3. State employees; and
4. A person or entity granted express access authorization by the data submitter fisherman.

Critically, the RFA cannot, even as a state contractor, access directly confidential federal fisheries data, even for the sole and limited purpose of fisheries claims administration. Unless NMFS funds and retains the RFA or Congress passes modifying legislation to allow the limited access exception, the RFA will have to obtain waivers from fishermen to access the data.

If the RFA cannot obtain direct access to the data, then paradigm-shifting design possibilities like the RFA pre-qualifying known-eligible fishermen will not be possible. The RFA could potentially look to publicly available permit data and consider broad communication campaigns to permit holders and fishermen with operator permits asking that the group self-identify as among the operators fishing in a certain area. The RFA otherwise cannot access data to determine which fishermen might be among those possibly affected by an offshore wind project, which would mean the RFA likely cannot engage in a procedure where it notifies only select fishermen directly to request a waiver to release data access. Thus, initial contact between a fisherman and the RFA may have to depend on the fisherman reaching out to make the claim or case for their eligibility. However, initiation of eligibility from an agency is possible, executed by NMFS or states as the sole holders of the relevant information. NMFS or the states, then, after obtaining such waivers from each fisherman, could deliver to the RFA the list of fishermen who had provided authorization, but that could reflect a small portion of proper fishermen if outreach and engagement responses are low. Or, if agency resources permit, the fishermen eligible could receive a notice of eligibility individually from a state or NMFS and then reach out directly to the RFA.

Access becomes significantly more complex for longer reference periods. If vessel or permit ownership has changed, the current owner may not legally access historic data unless the prior owner can be located and grants permission—something that may be impossible due to death, relocation, or missing documentation. These constraints create practical limits on how far back in time a compensation program can reasonably look without generating inequities.

2. NMFS and States Likely Have Limited Capacity to Support Data Access.

At present, it does not appear likely that NMFS can fund and retain the RFA as a contractor to direct the data pull and analysis efforts for a regional fisheries compensation program. Even if a state wanted to do so, the Magnuson-Stevens Act does not allow the RFA to direct-receive the information as a state contractor (absent a waiver from each individual fisherman).

Data retrieval for claims is resource-intensive. Even with waivers from fishermen, NMFS staff capacity is limited, resulting in potential delays supporting broad, repeated data pulls for pre-qualification or individualized claims at this time, regardless of data source. Tracking documentation on ownership chains for vessels that changed hands is particularly time-consuming and may require multiple touch points with external persons.

D. Conclusion.

The datasets described above collectively provide meaningful, but inherently incomplete, insight into historical fishing activity and economic outcomes. Each federal dataset was developed for fishery management, compliance, or scientific monitoring purposes—not for claims adjudication or compensation design. As a result, no single dataset can precisely identify where fishing occurred or quantify economic loss with absolute certainty. A combination of datasets, though, may be used together to provide a reasonable basis for fishing location and economic loss. No single fishery-dependent dataset or combination of datasets can definitively establish causation between offshore wind activities and changes in fishing behavior or revenue, but they provide opportunities to reasonably assess causation factors.

Spatial resolution varies widely across datasets; certain information can be indirect or incomplete; and behavioral inference is unavoidable in most analytical applications. These methodological limitations are compounded by significant legal and practical barriers to data access for the RFA. Federal confidentiality rules, ownership changes over time, and limited agency capacity constrain the ability of a regional fund administrator to obtain, process, and efficiently utilize vessel-specific fisheries data at scale.

As a practical matter, any compensation framework that depends heavily on individualized federal fisheries data will face tradeoffs among accuracy, equity, timeliness, and administrative feasibility. Accordingly, a fisheries compensation program must be designed with a clear understanding of what existing data can and cannot support, and the compensation framework must accept that imperfect data may be the “best” data available that still can be reasonably suited for the purposes needed. Effective program design will require transparent acknowledgment of data limitations, careful use of approximations, assumptions, and inferences, and a structured role for claimant-provided documentation where federal data are unavailable or insufficient. Recognizing these constraints now is essential to setting realistic expectations and ensuring that compensation decisions are grounded in the best available information while remaining administrable, fair, and strategically palatable to all stakeholders.

Appendix 2

Data Security and Confidentiality

Data Security and Confidentiality

A. Introduction.

This Appendix acknowledges that protecting the security and confidentiality of participant information will be a core responsibility of any Regional Offshore Wind Fisheries Compensation Program. The Program will require fishermen and related businesses to submit sensitive financial and operational data. Safeguarding that information, and maintaining clear rules regarding whether and how non-claimant stakeholders access the information, will be essential to the integrity and credibility of the Program. This document outlines anticipated best practices to consider during the eventual implementation of the Program. Of course, as technologies and other considerations change over time, the formal rules adopted should reflect best practices at the time of actual implementation and should also be adaptable to changing circumstances during Program operation. Additionally, during implementation, the Program will have to assess whether and to what extent the data protection and confidentiality requirements of one or more states may apply.

B. Security.

1. Security Framework and Standards.

The Program will be expected to rely on established, industry-recognized information security frameworks to guide how data is protected over time. Using a structured framework provides a strong foundation for addressing both current and future security risks and for meeting claimant and regulatory expectations related to data protection.

2. Key Data Security Practices.

A Regional Fisheries Compensation Program will reasonably be expected to incorporate the following practices:

(a) Independent Validation.

Data security practices will be based on recognized industry standards and subject to independent review or validation. Documented policies and controls will describe how participant data and system resources are protected.

(b) Layered Security (Defense in Depth).

Multiple layers of technical and procedural safeguards will be used to reduce risk. This approach ensures that if one security measure is compromised, additional protections remain in place to safeguard participant information.

(c) Controlled Access.

Access to participant data will be limited to authorized personnel who need the information to perform Program duties. Access will follow the principle of least privilege, meaning individuals receive only the minimum level of access necessary, with approvals and periodic reviews to ensure permissions remain appropriate. For fishery data submitted by claimants, only personnel specifically authorized in writing by the fishing entity can access such fishery data. Further, the Administrator cannot subsequently share the fishery data with any other entities without express permission from the submitter and cannot use such data for any unauthorized purpose.

(d) Incident Response and Risk Management.

The Program will include defined procedures for responding to any data security incidents, whether large or small. Risk assessments will be performed to identify potential vulnerabilities and prioritize mitigation efforts, and specialized assistance will be available if needed.

(e) Training and Awareness.

Personnel involved in administering the Program will receive ongoing security awareness training. This will include training tailored to specific roles, as well as regular acknowledgment of data protection and acceptable use requirements.

(f) Reciprocal Claimant Obligations.

Data security is a joint responsibility with the participating claimants. While the Program will implement reasonable administrative, technical, and physical safeguards to protect sensitive information submitted in connection with claims, claimants also play an important role in reducing the risk of unauthorized access or disclosure. Claimants will be expected to take reasonable precautions to safeguard their own information and access credentials, including:

(1) Maintaining the confidentiality of usernames, passwords, and other authentication credentials and not sharing them with others;
(2) Using strong, unique passwords and promptly updating credentials if compromise is suspected;
(3) Avoiding the transmission of sensitive personal, financial, or business information through unsecured or unapproved channels, such as standard email, text messages, or social media platforms;
(4) Following Program instructions regarding secure portals, file uploads, or other approved methods for submitting documentation; and
(5) Promptly notifying the Administrator if they believe their account, credentials, or submitted information may have been accessed or disclosed without authorization.

When registering to use the Program portal, claimants will agree to a standard privacy policy and terms of use setting out required practices such as those identified above.

C. Confidentiality.

In addition to keeping Program information out of unintended hands, the Program must have transparent rules and expectations regarding data access for intended handlers.

1. Access by the Administrator and Service Providers.

Access to identifiable claimant information will be limited to the Administrator and authorized agents, contractors, and service providers who require access to perform defined Program functions, such as claim intake, eligibility review, loss evaluation, quality control, audits, and payment administration, consistent with written accessibility agreements signed by the claimant. As noted in Section B.2, access will be role-based and limited to the minimum information necessary to carry out assigned duties, consistent with documented confidentiality policies and controls. Except as required by law, claimant information will be used solely for administering the Program and for no other purpose. Claimant information will be retained and destroyed in accordance with project-specific data retention and destruction timelines.

2. Access by Developers, States, and Federal Entities.

Developers, state agencies, and federal entities will not have access to individual claimant files or personally identifiable claimant information, except to the extent that state and federal entities already are themselves holders of certain underlying confidential fisheries data. During the course of Program administration, these entities may receive de-identified, aggregated, or summary-level information for limited purposes such as program oversight, funding administration, reporting, compliance, or evaluation of overall program performance. Such information will be structured to prevent the identification of individual claimants or disclosure of confidential business information.

3. Public Reporting.

Any public reporting or publication of Program information will be limited to high-level statistics or summaries that do not identify individual claimants or disclose sensitive financial or operational details.

D. Conclusion.

Protecting the security and confidentiality of claimant information is critical to maintaining trust in a Regional Offshore Wind Fisheries Compensation Program and to promoting its effective operation. By grounding Program design in recognized data-security best practices, limiting access to sensitive information, and clearly defining the roles and responsibilities of all participants, the Program can responsibly balance transparency, accountability, and privacy. As technologies, risks, and regulatory expectations evolve, these principles should continue to guide the development and refinement of Program policies to safeguard claimant information throughout the life of the Program.

Appendix 3

Business Transfers

Business Transfers

I. **Overview.** This protocol explains when the Regional Fund Administrator (RFA) will accept fishing history transferred with a fishing business, vessel, or permit to a new owner for purposes of determining eligibility in the regional offshore wind (OSW) compensation program.

For the purposes of this protocol, a "transfer" means the sale, inheritance, or other conveyance or exchange of a fishing permit or vessel, including the fishing history, from an existing owner to a new owner. Unless otherwise defined herein, all other capitalized terms have the meanings assigned to them in the Framework.

II. **Rules for Transfers.** After the transfer of a fishing permit or vessel, and the associated fishing history, to a new owner, whether the RFA may accept that fishing history in determining the eligibility of the new owner for the regional OSW compensation program depends on when the transfer occurred and who the new owner is.

The RFA's acceptance of transferred fishing history does not, by itself, establish eligibility or entitlement to compensation. The new owner must satisfy all other applicable Program requirements.

A. **Transfers Occurring in the Lookback Period and Construction Period.**

1. For the entire Lookback Period and Construction Period, the RFA will accept the fishing history transferred to a new owner through a vessel replacement or ownership change in determining the eligibility of the new owner for the program.
2. If the new owner is not able to obtain the fishing history data (*i.e.* lost, previous owner deceased with no access to records, unwillingness of previous owner to share specific data, *etc*.) for use in proving eligibility and supporting a compensation claim, the RFA will treat the new owner's fishing history as beginning on the date the new owner acquired the fishing business, vessel, or permit. The RFA will consider reliable alternative documentation, including records available from state or federal agencies, if possible.
3. Fishing history associated with a fishing business, vessel, or permit that does not reflect fishing activity during the applicable qualifying period may not be used to establish eligibility, except in extraordinary circumstances to be evaluated by the RFA on a case-by-case basis.

B. **Transfers Occurring During the Operations Period.**

1. For the first five years of the Operations Period (until the fifth anniversary of the beginning of the Operations Period) the RFA will accept the fishing history transferred to a new owner through a vessel replacement or ownership change in determining the eligibility of the new owner for the program.

2. After the fifth anniversary of the beginning of the Operations Period, the RFA will not accept the fishing history of the previous owner in its evaluation of the eligibility of the new owner, unless the new owner receives explicit approval from the RFA pursuant to the exception process described in Section IX of the Framework.

3. If the new owner is not able to obtain the fishing history data (*i.e.* lost, previous owner deceased with no access to records, unwillingness of previous owner to share specific data, *etc*.) for use in proving eligibility and supporting a compensation claim, the RFA will treat the new owner's fishing history as beginning on the date the new owner acquired the fishing business, vessel, or permit. The RFA will consider reliable alternative documentation, including records available from state or federal agencies, if possible.

4. Fishing history associated with a fishing business, vessel, or permit that does not reflect fishing activity during the first five years of the Operations Period may not be used to establish eligibility, except in extraordinary circumstances to be evaluated by the RFA on a case-by-case basis.

III. Other Considerations.

A. Successor Interests.

1. **Fishing Successors.** A successor (*i.e.,* family member) who inherits the fishing business, vessel, or permit may use the fishing history of the predecessor owner, and the RFA will accept that fishing history for the purposes of determining eligibility in the OSW compensation program, regardless of when the inheritance occurs.

2. **Non-Fishing Successors.** A "non-fishing" successor who inherits a fishing business, vessel, or permit (*i.e.*, the successor is not in the fishing industry or does not continue fishing) may transfer the inherited business, vessel, or permit, together with its fishing history, to a new owner, and the RFA will accept that fishing history for the purposes of determining eligibility in the OSW compensation program, regardless of when the transfer occurs. If that new owner later transfers the business, vessel, or permit to a subsequent owner after the fifth anniversary of the beginning of the Operations Period, the RFA will not accept the fishing history in evaluating the subsequent owner's eligibility in the OSW compensation program.

B. Intra-Business Transfers.

The five-year limitation described in II.B.1. of this appendix will not apply to transfers occurring among fishing vessels or permits that remain under common ownership or control as part of the same fishing business operation. For purposes of Intra-Business Transfers, the RFA may consider the continuity of ownership, control, and economic interest associated with the transferred vessel or permit.

C. **Gear Loss Claims.** These rules do not apply to any eligibility or compensation determinations for gear loss claims processed in each developer's individual program.