

The answers provided below should not be considered financial, legal, or tax advice. Individuals are encouraged to consult with their lending, legal, or tax professional for individualized advice.

Q: The SBA loans from the review I have done doesn't really work for an individual fisherman or even a sole proprietorship because it is not payroll and there isn't rent/lease, the two major things that the loan are forgiven for or am I missing some fine print somewhere? Otherwise all we are getting as an opportunity is a 4% loan for ten years. The loans also appear to be tied to your payroll so again how does it work for a fisherman that don't have a "payroll"?

– Kathy Hansen, Southeast Alaska Fishermen's Alliance

A: The SBA Interim Final Rule defines payroll costs for "an independent contractor or sole proprietor," as "wage, commissions, income, or net earnings from self-employment or similar compensation." We are working to gain clarity on how payroll costs are determined for fishermen whose payments to crew are reported on a 1099-MISC form.

Self-employed are eligible, "if you are an individual who operates under a sole proprietorship or as an independent contractor or eligible self-employed individual, you were in operation on February 15, 2020. You must also submit such documentation as is necessary to establish eligibility such as payroll processor records, payroll tax filings, or Form 1099- MISC, or income and expenses from a sole proprietorship. For borrowers that do not have any such documentation, the borrower must provide other supporting documentation, such as bank records, sufficient to demonstrate the qualifying payroll amount."

See: https://www.sba.gov/sites/default/files/2020-04/PPP--IFRN%20FINAL_0.pdf

More information on the PPP is available here:

- <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>
- <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>

Q: Does the CARES Act have something specific for individual fisherman? If so how does it work? – *Kathy Hansen, Southeast Alaska Fishermen's Alliance*

A: Section 12005 of the CARES Act authorizes the Secretary of Commerce to provide assistance to fishery participants and communities affected by the coronavirus pandemic. This is a new authority outside of the usual fishery disaster process under Sections 312 and 315 of the Magnuson-Stevens Act or Section 308 of the Interjurisdictional Fisheries Act. NOAA is currently developing an implementation plan for disbursing these funds. The Alaska Delegation is working closely with NOAA to ensure that this implementation plan is responsive to impacts in Alaska.

Q: The NMFS 2016 pink salmon disaster program provided approximately \$50 million and it took until last week (three or four years) to get fishermen money for one fishery in one

state. The Phase 3 NMFS disaster appropriation was only \$300 mil for the entire country. This is not enough. Two thirds of seafood in American is eaten in restaurants. We are already seeing a huge disruption in our sales even though there is a lot of demand for our great seafood. Primary producers like fishermen, cattle ranchers, and farmers always suffer the most. The price in the stores isn't going down. We are already seeing 33-50% reductions in our ex-vessel prices for fisheries that are taking place right now. Farmers get AG programs to backstop markets. We need to feed America, but we can't do it and go broke. Fishermen need much more aid. What do you plan on doing? – Buck Laukitis (UFA Member)

A: Section 12005 of the CARES Act authorizes the Secretary of Commerce to provide assistance to fishery participants and communities affected by the coronavirus pandemic. This is a new authority outside of the usual fishery disaster process under Sections 312 and 315 of the Magnuson-Stevens Act or Section 308 of the Interjurisdictional Fisheries Act. This new authority was accompanied by a \$300 million appropriation. Now that the CARES Act is in law, Congress can continue appropriating funding under this coronavirus-specific authority going forward. We will continue advocating for additional resources to assist fishermen and fishing communities in Alaska.

Q: If there is an infrastructure bill in Phase 4, will you pursue money for docks, harbors and coastal infrastructure in Alaska? – Buck Laukitis (UFA Member)

A: Discussions around a Phase 4 recovery bill are ongoing. If there are opportunities to support coastal and maritime infrastructure, we will advocate strongly for projects in Alaska. Additionally, there may be opportunities to appropriate additional funding for existing programs that support needed infrastructure work in Alaska, such as the Dept. of Transportation's BUILD grants, MARAD's Small Shipyard Grant Program, or MARAD's new Port Infrastructure Development Grant Program.

Q: Who qualifies for SBA disaster loan assistance? Do individual fishermen? If so—what expenses qualify for SBA disaster loan assistance (i.e., how can that money be used on our boats and in our fishing businesses)? – Linda Kozak (Fishing Vessel Owners Association)

A: The Emergency Economic Injury Disaster Loans in the CARES Act are available to businesses with 500 or fewer employees, individuals who operate under a sole proprietorship or as an independent contractor, cooperative businesses with 500 or fewer employees, tribal small business concerns, as defined under the SBA Act, with 500 or fewer employees, and private non-profits. These loans can be used for any allowable purpose for a loan made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)), including meeting increased costs to obtain materials unavailable from the applicant's original source due to interrupted supply chains; making rent or mortgage payments; and repaying obligations that cannot be met due to revenue losses. When applying for an EIDL loan, applicants can also apply for a \$10,000 loan advance that does not need to be paid back. If you have specific questions regarding these programs impact on your business, or are unsure what programs can best benefit your business, please contact your financial advisor or bank.

Q: How can we assure that small boat fishermen—and crews—are included in relief programs and what is the procedure for getting the information for relief programs out to the fleet? – *Chip Treinen (Southeast Herring Conservation Alliance)*

A: The best way to ensure small boat fishermen and crewmembers are included in relief efforts is by keeping our staff updated with the impacts small boat fishermen are experiencing as a result of the coronavirus. The CARES Act includes important provisions, like expanded eligibility for unemployment assistance, but there will likely be other unanticipated impacts that will require additional response from Congress. Additionally, our websites, along with industry websites such as UFA, have information about available relief and helpful links – sharing this to crewmembers and those around you will help in spreading information. In addition to communicating your concerns to the Alaska Delegation, we recommend you share your concerns about coronavirus impacts to fishing communities with the National Marine Fisheries Service which recently established a COVID-19 Strategy Team to assess the impacts of coronavirus on the U.S. commercial seafood industry. You can share your input with NMFS by emailing NMFS.COVID-19@noaa.gov.

Q: Will the congressional delegation work with federal and state officials to make certain we have sufficient rapid-test machines and cartridges, as well as the antibody blood tests, so fishermen can be tested as they prepare to travel to their salmon fishery areas? Thousands are planning to come through the Anchorage airport and we need to get a testing center set up there with adequate testing supplies to accommodate the anticipated need. This will give the communities some assurance that proper screening is occurring prior to the flood of people into their town. – *Linda Kozak (Fishing Vessel Owners Association)*

A: Our offices are coordinating closely with the State of Alaska on testing capacity. We have also communicated with the White House and the President’s Coronavirus Task Force on the unique challenges that Alaska faces in implementing widely available testing. Many of Alaska’s communities are harder to access, and currently there are only two laboratories in Alaska capable of processing COVID-19 tests, located in Anchorage and Fairbanks. With the emergence of new testing tools and techniques, we will continue advocating for Alaska to be prioritized for rapid testing equipment. At this time, rapid testing is not commercially available but it is being provided for some small communities in Alaska.

Q: My request would be to include fishery products in the trade deal with China along with the farm products. – *Jessie Nelson (UFA Member)*

A: President Trump signed the Phase One trade agreement with China on January 15th, 2020. This agreement includes commitments by China to purchase large amounts of U.S. seafood over the next two years. Using 2017 as the benchmark, China will increase its purchase of U.S. goods and services by \$200 billion. After significant engagement from Alaska seafood producers and the Alaska Delegation, seafood is included in the agriculture product category for obligated purchases over two years. We will continue working with the Office of the U.S. Trade Representative to ensure that Alaska seafood figures prominently in the seafood purchases that China has agreed to.

Q: NOAA is providing vessels in the partial coverage observer program waivers to carrying an observer thru April 9th. Since NOAA made that decision, Alaska Governor has restricted intrastate travel. Do you think the observer waiver should be extended? If so- will you please notify NMFS AK region? – Linda Kozak (Fishing Vessel Owners Association)

A: Since the infection risks posed by travel will almost certainly persist through April, and due to the fact that social distancing is effectively impossible on a fishing vessel, we feel it is appropriate for the Alaska Region to extend the temporary waiver for observers in the fixed gear fleet. On April 7th, NOAA announced it was extending this waiver through April 19th. We will continue to engage with NOAA to ensure that the concerns of Alaska’s fishermen are taken into consideration in future discussions on this issue.

Q: Have you had any conversations with NOAA about their fisheries loan program as far as waiving loan payments, allowing refinancing at the new lower rates and for longer terms, or allowing NOAA fisheries loans to be made for COVID-19 related issues? If so how are those conversations going? – Matt Alward (North Pacific Fisheries Association)

A: Our staff have had discussions with NMFS about what flexibility the agency could provide through its own finance and lending programs. As discussions about future coronavirus relief efforts continue, we will be communicating with NMFS to determine what measures they can undertake immediately under existing authorities and what policies would require legislation in order to move forward. We encourage UFA to continue sharing your concerns and suggested solutions with our offices and staff, as well as with NMFS.

Q: In this context we are upset that Pebble states as its top priority keeping the Corps on its current fast-track schedule for a permit. And the Corps seems still to be doing Pebble’s bidding even as the virus forces us and every other BB stakeholder to focus on that emergency. Just this week the Corps closed a comment period for the expert cooperating agencies, in the same time window in which those experts are trying to fulfill their virus-related roles and responsibilities. This is unacceptable, and all but assures that the EIS will not meet the standards Congress, at your impetus, set for it in the appropriations language last fall. – Lindsey Bloom (UFA Member)

A: We understand your concerns, particularly with the pressing need to respond to this health emergency. We have been working hard to pass the CARES Act and ensure that businesses understand how to access needed relief. The Delegation has continually communicated to the Corps and EPA that the environmental review process must be informed by sound science. We appreciate the many Alaskans who have shared their thoughts and concerns regarding this project. Civil permitting programs should continue to work, if they are able, to ensure continuity in programs and deadlines where possible. However, we are also communicating with the Corps to determine whether and how the pandemic is affecting their ability to fulfill their responsibilities. In no way should it be allowed to weaken what must be a thorough and rigorous review.