

# COVID-19 RELIEF UPDATES

On December 28th, 2020, President Trump signed the "Coronavirus," a \$2.3 trillion Covid-19 relief and FY21 government funding package. Included in this package are a number of provisions impacting the commercial fishing industry.



Photo by John Lee

1) An additional \$300 million in fisheries assistance is provided "to prevent, prepare for, and respond to the coronavirus."

Coastal states (except the Great Lakes states) will receive no less than \$3 million (1% of the total amount appropriated) and no more than a state or territory's total annual average revenue from commercial fishing operations, aquaculture firms, the seafood supply chain, and charter fishing businesses. \$30,000,000 is set aside for Tribal fishery participants. \$15,000,000 is allocated for impacts to non-tribal commercial, aquaculture, processor, and charter fishing businesses in the Great Lakes states.

2) Language authorizing \$1.5 billion for USDA purchases of "food and agricultural products, including seafood."

This \$1.5 billion may also be used for grants and loans to small or mid-sized food processors or distributors, seafood processing facilities and processing vessels, farmers markets, producers, or other organizations to respond to Covid-19, including adaptation and mitigation measures taken to protect workers against Covid-19.

3) The Diesel Emissions Reduction Act (DERA) Grant Program is reauthorized through 2024.

#### 4) Paycheck Protection Program Updates

- **Section 304:** Expands the scope of the PPP by adding eligible expenses including: operations expenditures; covered supplier costs; covered worker protection expenditures (PPE and adaptive investments to help recipients comply with federal, state, and local guidance).
- **Section 311:** Allows for a second draw loan for smaller and harder-hit businesses with a maximum loan amount of \$2 million.
  - Eligibility: no more than 300 employees; used or will use full amount of first PPP loan; must demonstrate 25% reduction in gross receipts in Q1, Q2, Q3, or Q4 of 2020 relative to same quarter in 2019.
  - Loan terms: generally, borrowers may receive a loan amount of up to 2.5X the average monthly payroll costs.
  - Loan forgiveness: the 60/40 cost allocation between payroll and non-payroll costs for loan forgiveness continues to apply.
- **Section 312:** Provides for borrowers to request an increase in loan amount due to updated regulations. Allows borrowers whose loan calculations have increased due to changes in interim final rules to work with lenders to modify their loan value regardless of whether the loan has been fully disbursed, or if Form 1502 has already been submitted.
- **Section 318:** Expands loan eligibility to include 501(c)(6) organizations with certain restrictions and limitations.
- **Section 333:** Repeals provision in CARES Act that requires PPP borrows to deduct amount of their EIDL advance from their PPP forgiveness amount. Administrator shall issue rules that borrowers are made whole if they received forgiveness and their EIDL was deducted from that amount.

