

To: The Honorable Vince Tutiakoff Sr.
The Unalaska City Council
Erin Reinders, City Manager

From: Brad Gilman, Rick Marks, & Sebastian O’Kelly

Re: Washington Update

Date: May 4, 2021

1. FY 2022 Federal Budget/Appropriations: The Biden Administration has released its preliminary or “skinny” budget request for FY 2022. The full budget request is due to come out later this spring. The Administration seeks \$769 billion in non-defense discretionary spending, a 16 percent increase above FY 2021 levels (this does not count emergency spending to combat the pandemic), and \$753 billion for defense spending, a 1.7 percent increase.

Separately, in the House both parties have agreed to resume the practice of earmarking in some types of legislation with certain limitations and transparency requirements. Both the Appropriations Committee and the Transportation & Infrastructure Committee have announced that they will accept community project submissions for consideration in their bills, with the Appropriations Committee limiting the number of requests to 10 per Member. Both Committees have stipulated there is no guarantee that the requests would be funded. As required by the new rules, the Mayor submitted a letter to the Delegation seeking funding for the following projects – Captains’ Bay Road Utilities; Unalaska Harbor Entrance Channel Dredging; and Storrs Small Boat Harbor Improvements. Rep. Young submitted the Captain’s Bay Road Utilities project to the Transportation & Infrastructure Committee.

In the Senate, Senator Leahy (D-VT), Chairman of the Appropriations Committee, announced that the Committee will accept community project requests using rules similar to the House but without a limit on number of requests an individual Senator may submit. The Senate Republican Caucus decided to maintain its position opposing earmarks, but the position permits individual Republicans to submit earmark requests. Unalaska’s project requests are pending with Senators Murkowski and Sullivan. Neither Senator has decided yet on whether they will submit community project requests.

After a ten-year moratorium on earmarking, we anticipate Congress will move carefully in the first year of resuming the practice.

2. COVID State, local, territorial & tribal government (SALT) relief: The Treasury Department has not yet announced its first tranche of SALT payments under the American Rescue Plan Act. Those first payments are due out this month. The Treasury Dept has put out an update noting that all recipients must have current DUNS and System for Award Management (SAM.gov) numbers. Details are at the link.

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-fund>

3. Public Infrastructure & Investment Legislation: The Biden Administration has rolled out its infrastructure proposal -- the American Jobs Plan -- that would include significant new spending on traditional transportation infrastructure as well as on green energy, broadband, drinking water, manufacturing, housing, education, the elderly, childcare and other areas. The proposal's estimated cost is \$2.25 trillion over 8 years, plus an additional \$500 billion in tax credits. The proposal is partially "paid-for" through an increase in, among other measures, the corporate tax rate from 21 percent to 28 percent; establishing a global minimum U.S. multinational corporate tax rate of 21 percent; and establishing a corporate minimum tax of 15 percent.

In the transportation sector, the proposal includes \$621 billion, the main elements of which include the following.

- Electric Vehicles & Charging Infrastructure -- \$174 billion
- Roads, Highways & Bridges -- \$115 billion
- Mass Transit -- \$85 billion
- Rail (Passenger & Freight) -- \$80 billion
- Infrastructure Climate Change Resilience -- \$50 billion
- Airports -- \$25 billion
- National/Regionally Significant Projects -- \$25 billion
- Road Safety -- \$20 billion
- Disadvantaged Communities/Project Equity -- \$20 billion
- Ports (Coastal & Inland) -- \$17 billion
- Other -- \$10 billion

The Republicans have countered with their own proposal of \$568 billion over 5 years focused on traditional transportation and water systems infrastructure. It also includes \$17 billion for coastal and inland ports. It does not raise taxes. The Congressional bi-partisan Problem Solvers Caucus has put forward its own proposal and, while it does include a specific amount, it goes the farthest in terms of advocating for increases in transportation user fees to pay for the increased spending.

There have been on-going bipartisan discussions between leading Congressional Republicans and the Biden Administration toward producing a compromise, with the President inviting groups of Republicans including Rep. Young to meet with him at the White House. The legislation is expected to move more slowly than the American Rescue Plan Act.

4. Return To Cruising: The CDC has issued additional guidance for implementation of its Conditional Sailing Order to resume cruise ship operations. Media reports have stated that a return to large cruise ship voyages in Alaska could resume by mid-summer. The guidance does include modification of local embarkation, CV-testing, housing and medical procedures. The guidance provides greater guidance and flexibility in these areas and is discussed at the link. Separately, the Alaska Delegation has introduced the Alaska Tourism Recovery Act to provide a legislative waiver to allow cruise ships to forego a stop in Canada in transit to Alaska from the Pacific Northwest. Canada has prohibited those vessels from entrance into the country.

<https://www.murkowski.senate.gov/imo/media/doc/CDC%20letter%20to%20cruise%20line%20industry.pdf>

5. COVID Relief -- Restaurants: SBA has announced the opening for applications for relief from the new \$28.6 billion Restaurant Revitalization Fund included in the American Rescue Plan Act (the March COVID relief package, abbreviated as ARPA). Restaurants, bars, caterers, food trucks, carts, stands, bakeries, and other entities with a significant percentage of eating/drinking sales that experienced or are experiencing losses during the pandemic are eligible. Applications and program guidance are at the link --

https://restaurants.sba.gov/requests/borrower/login/?next=/%3Futm_medium%3Demail%26utm_source%3Dgovdelivery

6. COVID Relief -- Community Health Center Construction: HHS has announced a grant application opening for \$1 billion in Community Health Center construction from the American Rescue Plan Act. The money will be distributed by a formula of \$500,000 per HHS-certified Center, plus \$11 multiplied by the number of patients served in 2019. Application at the link --

[file:///C:/Users/SEBAST~1/AppData/Local/Temp/BPHC%20HRSA-21-](file:///C:/Users/SEBAST~1/AppData/Local/Temp/BPHC%20HRSA-21-114%20(C8E)%20FY%202021%20ARP-)

[114%20\(C8E\)%20FY%202021%20ARP-Capital_Final%20OMB%20cleared.4.20.2021_BPHC%20final%20v2.pdf](114%20(C8E)%20FY%202021%20ARP-Capital_Final%20OMB%20cleared.4.20.2021_BPHC%20final%20v2.pdf)

7. COVID Relief -- Education: The Department of Education has announced the allocations of ARPA relief using the formulas in law in the Elementary and Secondary Education Act. This approach is consistent with the distribution of prior relief. The State of Alaska is slated to receive \$359 million, with \$323 million required to be distributed to Lower Education Agencies. Of the \$36 million reserved for the State Education Agency, a minimum of 5 percent is to be used for interventions to address learning loss, 1 percent for summer enrichment programs, and 1 percent for comprehensive afterschool programs. The State application template was released on April 21.

8. COVID Relief -- Child Care: The Department of Health & Human Services has announced funding awards to States and tribes from the child care assistance funding provided in both the Consolidated Appropriations Act of 2021 and ARPA. The State of Alaska has been allocated \$92 million combined. Individual Alaska tribal allocations can be found at the links for both funding sources.

<https://www.acf.hhs.gov/occ/data/arpa-supplemental-stabilization-and-ccdf-discretionary-funding-allocation-tables-tribes>

<https://www.acf.hhs.gov/occ/data/crrsa-2021-allocations-tribes>

9. COVID Relief -- Cultural & Educational Institutions: The National Endowment for the Humanities has announced grant opportunities for the \$135 million in funding it received under ARPA for cultural and educational institutions impacted by the pandemic. Application details are at the link -- <https://www.neh.gov/news/neh-offers-arp-relief-funding-economic-recovery-cultural-and-educational-institutions>

10. COVID Relief – Public TV & Radio: The Corporation for Public Broadcasting has announced its allocation of \$175 million in ARPA funding for local public TV and radio stations, with the allocation split 50-50 between the two. These are funds that are in addition to regular annual funding. KUCB in Unalaska is due to receive \$238,551.

11. New Federal Revenue Sharing Program For Public Lands Counties/Boroughs –As we reported previously, ARPA created a new two year payment program of \$1.5 billion split equally for FY 2022 and FY 2023 to counties/boroughs who currently receive Federal revenue sharing payments. Boroughs who receive SRS and/or PILT payments would be eligible. These funds would be in addition to existing revenue sharing payments but would be weighted by a local government’s economic losses over time due to a decline in natural resource development on area Federal lands. The Treasury Department has not yet announced criteria for the program.

12. Fisheries & Oceans

- **COVID Fisheries Disaster Relief – CARES Act:** Individual applications for Alaska’s share of the CARES Act NOAA fisheries disaster relief were granted a two week grace period to correct mistakes or omissions on their original application, due April 29. The final deadline is now May 14 provided the two week extension is requested by the applicant.
- **COVID Fisheries Disaster Relief – Consolidated Appropriations Act of 2021:** For the Consolidated Appropriations Act of 2021 NOAA fisheries disaster relief, NOAA has made its State allocation decisions. Alaska has been allocated \$40 million. The next step will be for the State to develop its expenditure plan with input from Alaska’s fishing industry. The plan will then be reviewed and approved by NOAA. As with the CARES Act funds, the Pacific States Marine Fisheries Commission will process individual applications for relief once the expenditure plans are approved.
- **COVID Fisheries Disaster Relief – USDA & Seafood Processors:** The USDA has available over \$6 billion to provide to food processors and distributors for COVID relief. The relief is likely to come in several forms including food commodity purchases as well as direct grants and loans. Seafood processors will be eligible for a portion of these funds in amount yet to be determined. They have been petitioning USDA for grants to cover the cost of COVID testing, PPE, hotel & transportation connected with employee quarantining, and other workplace-related costs connected to the pandemic during the 2020 and expected 2021 fishing seasons. The USDA has been holding listening sessions to hear from stakeholders but has not announced funding details, application procedures or a timeline for relief distribution.

In addition, USDA announced that it is seeking comments on a Department-wide effort to improve and reimagine the supply chains for the production, processing and distribution of agricultural commodities and food products.

USDA is taking this action in response to [Executive Order 14017, America’s Supply Chains](#), signed by President Biden on Feb. 24, 2021. The request for comments is

published today in the [Federal Register](#) and the comment period will close on May 21, 2021.

In addition to asking about the agricultural supply chain, USDA is interested in comments about how to target pandemic-related stimulus relief programs and spending authorized by Congress in the Consolidated Appropriations Act (CAA) and American Rescue Plan Act (ARPA) toward long term, systemic change that results in food supply chain resiliency. In particular, the request for comment seeks input on—

- bolstering local and regional food systems,
 - developing new market opportunities (including for value-added agriculture and products),
 - creating fairer and more competitive markets,
 - meeting the needs of the agricultural workforce,
 - supporting and promoting consumers' nutrition security, particularly for low-income populations,
 - addressing the needs of socially disadvantaged and small to mid-sized producers, and
 - advancing efforts in other ways to transform the food system.
- **2018 Gulf of Alaska Pacific Cod Disaster Relief:** The State of Alaska finalized its expenditure plan at the end of 2020 for relief to the differing fishing sectors impacted by the disaster. The Pacific States Marine Fisheries Commission will handle the processing of fishermen's claims but is awaiting final approval from NOAA on grant funding before it can make application forms available. Reports are that the Office of Management & Budget (OMB) has prevented NOAA from making a final decision.
 - **Critical Habitat Designation for Endangered Humpback Whale Distinct Population Segments (DPS):** NMFS has published a final rule designating Critical Habitat (CH) for three Humpback Whales DPSs. The first link is to the rule and second link is to the revised map of CH areas. The agency dropped Cook Inlet and Southeast areas that had been included in the proposed rule, but Kodiak and most of the Aleutian Islands remain CH for two of the three whale DPSs. It's too early to forecast the fishery impacts in those areas and the rule text hedges quite a bit on that subject. The fishing industry is concerned that restrictions on vessel speed, reduction of harvest of whale prey species such as herring and juvenile pollock, and dynamic area or closed area management for pot gear to reduce entanglements could be put in place at a future date.
<https://www.federalregister.gov/documents/2021/04/21/2021-08175/endangered-and-threatened-wildlife-and-plants-designating-critical-habitat-for-the-central-america>.

<https://www.fisheries.noaa.gov/resource/map/humpback-whale-critical-habitat-maps-and-gis-data>
 - **Magnuson-Stevens Act (MSA) Reauthorization:** Rep. Jared Huffman (D-CA), Chairman of the House Water, Oceans & Wildlife Subcommittee has released a 195-page draft MSA reauthorization bill for comment. While it contains many elements, three major focuses of the bill include – shifting the data collection, research, and

fisheries management regime to better understand and adapt to the impact climate change is having on our marine fisheries; reforming fishery management council nominating, voting and operating procedures; and increasing the emphasis on protecting essential fish habitat and habitat areas of particular concern. We anticipate the bill being formally introduced this month or in June. ROMEA staff has produced extensive written comments on the bill which can be made available upon request. There is no action on this issue in the Senate at this time.

- **Senate Forage Fish Bill:** Senators Blumenthal (D-CT) and Blunt (R-MO) have introduced legislation to require the regional fishery management councils to put in place additional protections for forage fish species that are important food sources to high-value commercial and recreational harvested species as well as to sea birds and marine mammals. The forage bill has been incorporated into Mr. Huffman's MSA draft legislation noted in the above bullet.