

PUBLICATION

COVID-19 (and Other) Relief for the Marine Industry

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Representatives Sean Patrick Maloney (D-NY) and Peter DeFazio (D-OR) have recently introduced the Maritime Transportation System Emergency Relief Act (MTSERA) to provide financial relief to the maritime industry for losses due to COVID-19 or other natural disasters or emergencies, which are defined as any natural disaster such as a hurricane or flood, as well as any catastrophic failure from an external cause that impacts the U.S. maritime industry. The bill specifically states that the COVID-19 pandemic shall be treated as an emergency for purposes of funding under this Act.

The legislation was proposed because of the marine industry's role in keeping the global supply chain moving. MTSERA will allow the maritime industry to access FEMA funding and other assistance programs that are available to other industries. The Maritime Administration (MARAD) will be involved in administering funding, which will include grants to state entities such as port authorities, state-owned or operated vessels and facilities associated with the operation of a vessel, and public or private entities. Public/private entities must be U.S. companies and have significant U.S. operations and employees based here. Additionally, they must be engaged in vessel construction, transportation by water, or support activities for transportation by water with an assigned NAICS code beginning with 3366, 483, or 4883, or any activity determined by the Secretary of Transportation, which implies that even if an activity does not fall under any of the stipulated activities, a public/private entity may appeal to the Transportation Secretary for consideration.

Grants are available to:

- State entities for eligible operating costs such as emergency response, cleaning, sanitization, janitorial services, staffing, workforce retention, paid leave, procurement and use of protective health equipment and training for employees and contractors, debt service payments, infrastructure repair projects and other maritime transportation system operations.
- Public/Private entities for costs of capital projects to protect, repair, reconstruct, or replace equipment and facilities of the United States maritime transportation system that the Maritime Administrator determines are in danger of suffering serious damage, or have suffered serious damage, as a result of an emergency, as well as eligible operating costs in an area directly affected by an emergency.

Absent an exception, entities have one year from the date of the emergency declaration to seek these funds.

The legislation specifically states that funding under this bill does not affect the ability of any other agency, including FEMA, to provide funds. However, grants from the MTSERA funding are only available for expenses not reimbursable under the Stafford Act (FEMA funding), or any other federal, state or local assistance program.

It was introduced in the House of Representatives on July 1 and referred to the House Transportation and Infrastructure Subcommittee on Coast Guard and Maritime Transportation. At the subcommittee hearing, it was announced that 85 house members voiced support for relief for ports in a letter to House leadership.

Baker Donelson will continue to monitor this legislation as it moves through Congress. For additional information on MTSERA contact [Chris Hannan](#).