



August 18, 2020

Senator Lisa Murkowski
522 Hart Senate Office Building
Washington, DC 20510

Senator Dan Sullivan
302 Hart Senate Office Building
Washington, DC 20510

Congressman Don Young
2314 Rayburn House Office Building
Washington, DC 20515

Dear Senator Murkowski, Senator Sullivan, and Congressman Young,

As the COVID-19 response continues, we thought it appropriate to share immediate needs, as well as longer term issues of note, facing our community in this unprecedented time.

We predict the Petersburg Borough will have spent its CARES act funding by the end of 2020, if not even before the end of summer, with grants to our school system, hospital, and COVID testing for seafood employees a large portion of expenditures. Additional funding, including flexibility to be allocated to replace lost revenue, retroactive and future use, is essential.

Of the federal economic support programs, the response has been uneven with some programs working better than others. Residents had difficulty accessing the EIDL program with many receiving no response from the SBA even months after applying. The PPP program, while not without its own difficulties, was successful at getting support to many of our local businesses.

We're now over 5 months into an unprecedented economic crisis. Many Petersburg businesses who rely on summer revenue to remain open throughout the year will have difficult months ahead. Providing direct economic support for businesses, including self-employed, who experienced revenue losses and allowing enough flexibility to spend these funds into 2021 would be an efficient, responsible way to support our community's economy.

The Alaska Department of Labor estimates a loss of \$87 million in August from the expiration of the \$600 enhanced federal unemployment insurance. This is 5% of wages in a normal August in Alaska and represents a larger decrease than in the previous recession. Petersburg's unemployment is higher than national, state, and regional rates at 15.5% in May and 13.4% in June. The rate drop in June was due to increase in labor force numbers, i.e. new seafood processing jobs were added, but it did not reduce the number of people on unemployment. Restoring those benefits, even in part, would significantly benefit our community and state as a whole.

In addition, in consultation with social service providers in Petersburg it is clear the COVID-19 pandemic is exacerbating pre-existing disparities. The need for housing, heating, and grocery assistance are growing. Restricted grant funding keeps these providers from nimble responses. A flexible means of financial support will be crucial as the recession continues.

Borough Administration

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Supporting the Childcare Stabilization Funding and mental health care, both of which are in high demand, are essential.

Finally, a report from Phil Hofstetter, Petersburg Medical Center CEO. Of note, current asymptomatic testing results are varying 2-14+ days to be reported.

Immediate needs

- National and state focus on clearing out the backlog for testing turn-around time (commercial and state labs). Increasing supply chain for reagents, capacity to test and increase FDA approval for batch testing.
- Federal position on facial covering indoors and social distancing.
- Funding for sustainable asymptomatic testing for community and businesses.
- Supply chain improvement on localized testing (ie. Cepheid units and cartridges to run more tests inhouse and with adequate supply).
- Forgiveness of advanced payment from Medicare CMS for PMC as a rural facility (required withholding will begin in August). PMC is putting resources toward the safety of the community for COVID toward asymptomatic testing, symptomatic testing, nursing COVID 24/7 hotline and increasing home health services.

Long term needs

- Continued support in telehealth.
- Improved federal partnership with FAA and TSA if airport COVID testing will continue.
- FAA regulation with TSA, security, screening and passenger assessment protocol to assist local communities prior to arriving in the community.
- Increased support of Home Health services in the following manner:
 - Improved reimbursement under a rural add-on amount for the prospective payment schedule.
 - Deregulating the requirements under home health services. (Patient census has quadrupled as a result of COVID, due to deferred care and deteriorating of patient's disease and reluctance for patients to be seen in the facility.)
- Federal support of a partnership with the USDA and Denali Commission to assist in funding request for phase 2 of new medical facility (site selection, environment study and full architectural design) needed in Petersburg. After outreach to both agencies, they have indicated willingness to partially fund project, but would like to see federal and state interest. Community economic revitalization post-COVID is important, and the need for an updated facility in our community was a priority even before the pandemic.

We hope that with assistance of comprehensive federal management we will continue to meet the challenge of this moment.

Thank you for your work on behalf of Alaskans.

Respectfully,

Mark Jensen, Mayor