

Pandemic Assistance for Timber Harvesters and Haulers Program FAQ

Frequently Asked Questions

Last Updated: July 20, 2021

USDA's Farm Service Agency will accept PATHH applications from July 22 through October 15, 2021. Learn more at farmers.gov/pathh.

About PATHH

Q: What is the Pandemic Assistance for Timber Harvesters and Haulers Program?

A: USDA's Pandemic Assistance for Timber Harvesters and Haulers program (PATHH) is a new program that will provide up to \$200 million in financial relief to timber harvesting and timber hauling businesses that experienced losses in 2020 due to COVID-19. PATHH is part of USDA's [Pandemic Assistance for Producers initiative](#).

Q: What USDA agency is administering PATHH?

A: PATHH is administered by USDA's Farm Service Agency (FSA) in partnership with the U.S. Forest Service (USFS). FSA will be the principal agency charged with implementing PATHH with the USFS providing technical assistance. Applicants will work with FSA to submit their PATHH application and supporting documents.

Q: When does the signup period for PATHH open and close?

A: USDA's Farm Service Agency will accept PATHH applications from July 22 through October 15, 2021.

Q: Are PATHH funds a loan that must be repaid? Is there a fee to apply?

A: No. PATHH is not a loan program and there is no fee to apply.

Q: I don't participate in any USDA programs. Can I apply for PATHH?

A: Yes. Participation in other USDA programs is not a prerequisite to apply for PATHH.

Q: Is there an Adjusted Gross Income (AGI) limit to receive PATHH assistance?

A: No. Average adjusted gross income limitations will not apply to PATHH.

Q: What is the funding amount and funding source for PATHH?

A: The Consolidated Appropriations Act, 2021, allocated \$200 million in funding for PATHH to provide financial relief to timber harvesting and timber hauling businesses impacted by COVID-19.

Eligibility

Q: How do I know if my timber harvesting or timber hauling business is eligible for PATHH?

A: PATHH will support timber harvesting and timber hauling businesses that experienced a loss of at least 10 percent gross revenue from January 1 through December 1, 2020, compared to the same period in 2019. You can calculate your loss in revenue using the following formula, where both years reflect gross revenue from January 1 through December 1:

$$\text{Percent Revenue Loss} = ((2019 \text{ Gross Revenue} - 2020 \text{ Gross Revenue}) / 2019 \text{ Gross Revenue}) \times 100$$

Additional eligibility requirements include deriving at least 50 percent of gross revenue from cutting timber, hauling timber, and/or producing wood chips on forest land during the above time periods and confirmation of North American Industry Classification System (NAICS) codes, among others. Visit farmers.gov/pathh for a full list of program eligibility requirements.

Q: My timber harvesting or timber hauling business was not in operation for the duration of January 1, 2019 through December 1, 2019 and/or January 1, 2020 through December 1, 2020. How will this impact my eligibility and the calculation of my gross revenue?

A: To be eligible for PATHH, applicants must have been in operation as a timber harvesting business or timber hauling business for at least part of the periods from January 1, 2019, through December 1, 2019, and January 1, 2020, through December 1, 2020. USDA will adjust your gross revenue proportionally if you did not operate during the entire period for one or both years.

Q: Are minors eligible for PATHH?

A: No. Minors under 18 years of age are not eligible for PATHH.

PATHH Payments

Q: How will PATHH payments be calculated for eligible truckers and loggers?

A: PATHH payments will be based on the applicant's gross revenue received from January 1, 2019 through December 1, 2019, minus gross revenue received from January 1, 2020 through December 1, 2020, multiplied by 80 percent. The below equation represents this calculation:

$$\text{Expected PATHH Payment} = (\text{2019 Gross Revenue} - \text{2020 Gross Revenue}) \times 0.80$$

The Farm Service Agency will issue an initial payment equal to the lesser of the application calculated payment amount described above or \$2,000. A final payment will be made after the signup period closes to applicants whose expected total payment exceeds \$2,000. The sum of both payments will be no greater than \$125,000, and USDA may prorate final payments and/or reduce this payment limitation if total calculated payments exceed the total funding allocated for the program.

Q: How will PATHH payments be distributed?

A: Eligible program applicants will receive up to two PATHH payments through direct deposit. The first payment up to \$2,000 will be made after an application is approved. A second and final payment will be made after the application period closes on October 15, 2021. The sum of both payments will be no greater than \$125,000, and USDA may prorate final payments and/or reduce this payment limitation if total calculated payments exceed the total funding allocated for the program.

Q. Is this a first-come, first-serve program? What if you run out of money?

A: To ensure there is adequate funding for all eligible loggers and truckers, the Farm Service Agency will make an initial payment of equal to the lesser of the application calculated payment amount or \$2,000. A final payment will be made after the signup period closes to applicants whose expected total payment exceeds \$2,000. The sum of both payments will be no greater than \$125,000, and USDA may prorate final payments and/or reduce this payment limitation if total calculated payments exceed the total funding allocated for the program.

Q: When are PATHH payments expected to begin?

A: Farm Service Agency county offices will process applications as they receive them beginning July 22, 2021. Program approval is handled at the local level and the timeline for this approval process, including required internal controls and data validation, varies from county to county. Initial payments of up to \$2,000 will be made shortly after applications are approved. A second and final payment will be made after the application period closes on October 15, 2021.

Q: What is the payment limitation for PATHH?

A: The sum of PATHH payments that a person or legal entity, including a joint venture or general partnership may directly receive, is \$125,000. USDA may reduce this payment limitation if total calculated payments exceed the total \$200 million in funding allocated for the program.

Commented [KJ-FWD1]: For your reference: Unlike other programs administered by FSA, applicants that are a joint venture or general partnership will be treated like a corporation and will be eligible to receive a single payment limitation per entity.

Like all other programs administered by FSA, payments made to a PATHH applicant that is a Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304), will not be subject to payment limitation.

Q. Can PATHH payments be withheld to satisfy a debt?

A: No. These payments will not be subject to administrative offset. This means the payments will not be withheld to satisfy any USDA debts nor will they be offset by Treasury.

Q. Are PATHH payments going to be counted as taxable income?

A: The Farm Service Agency reports program payments to the Internal Revenue Service and program participants on a CCC-1099-G. This report is a service to help program participants report taxable income. Please consult with the IRS or your tax preparer for any additional questions on how this income impacts your business.

How to Apply

Q: How can I prepare to apply for PATHH in advance of the signup period?

A full list of program eligibility requirements and information on applying is available at farmers.gov/pathh. We recommend you review this list before initiating your application once the signup period opens on July 22.

Your local Farm Service Agency (FSA) staff will work with you to fill out the PATHH application. Visit farmers.gov/service-locator to find contact information for the FSA office at your local USDA Service Center. FSA staff are available to support you in preparing your application. You

may also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance or answer any questions.

Q: How do I apply for PATHH once the signup period opens on July 22?

You will apply for PATHH through the Farm Service Agency office at your [local USDA Service Center](#). Visit farmers.gov/pathh for a full set of application requirements, including forms that will be needed to finalize your application. Please remember, USDA staff are available to assist with every step of your application process.

Q: Do I need to work with a third-party entity to complete my PATHH application.

A: No. USDA helps applicants complete program applications and other paperwork free of charge. USDA Service Center staff can guide you through the process of preparing and submitting required paperwork to apply for PATHH on your own, with no need to hire a paid preparer. Language translation services are available in all USDA Service Centers, so one-on-one assistance with a Service Center employee can be translated in real time for applicants requiring translations.

Q: What documents do I need to submit with my PATHH application?

The forms needed to complete your PATHH application are available for download at farmers.gov/pathh. These include the program application form – FSA-1118 – along with forms to confirm your personal information, enable your direct deposit payment, and certify compliance with USDA conservation compliance provisions. You may also be required to provide certain documentation from your tax records.

Q: My local USDA Service Center is not open for walk-in service. How does this impact how I'll submit my application?

A: We are committed to delivering USDA services while taking safety measures in response to the pandemic. Some USDA offices are open to limited visitors by appointment only. Service Center staff also continue to work with agricultural producers via phone, email, and other digital tools. Please call the Farm Service Agency office at your [local USDA Service Center](#) to schedule an appointment if you'd like assistance or have questions about applying for PATHH.

A call center is available for applicants who would like additional one-on-one support with the PATHH application process over the phone. Please call 877-508-8364 to speak directly with a USDA employee ready to offer support. The call center can provide service to non-English speaking customers. Customers will select 1 for English and 2 for Spanish. For other languages, customers select 1 and indicate their language to the call center staff.

Q: I've never worked with USDA's Farm Service Agency (FSA) previously. How do I connect with my local FSA office to get started with my application?

A: There is a Farm Service Agency (FSA) office located in nearly every county across the United States. Visit farmers.gov/service-locator to find the contact information for your local office. We recommend you call your office to connect directly with FSA staff who can talk with you about the program, eligibility requirements, and how to apply. You may also contact our call center at 877-508-8364 to speak directly with a USDA employee ready to offer support. At USDA, we are here to make your application process as easy as possible and will provide support every step of the way.

Q: Do the Farm Bill's conservation compliance requirements apply to PATHH?

A: Yes. Producers participating in PATHH must be in compliance with the highly erodible land conservation and wetland conservation provisions at 7 CFR Part 12 to be eligible. Producers must agree, by certifying Form AD-1026, that they will not produce an agricultural commodity on highly erodible land without a conservation plan, plant an agricultural commodity on a converted wetland, or convert a wetland to make possible the production of an agricultural commodity. This form is available at farmers.gov/pathh.

We understand that many loggers and truckers participating in PATHH may not have a farming interest. In this case, applicants will be asked to check box 5A of form AD-1026, sign, and return the form to the FSA office at their local USDA Service Center.

Q: I do not have a farming interest. Do I still need to complete form AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, with my application?

A: Yes. Applicants without a farming interest will be asked to check box 5A of form AD-1026. This confirms the applicant does not have interest in land devoted to agriculture and do not own or lease any agricultural lands themselves.

Q: What is the North American Industry Classification System (NAICS), and how do I find the NAICS code for my business?

A: NAICS is the 2017 North American Industry Classification System. It is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

The NAICS code for your business will be located on your federal tax return documents for 2019 and 2020.