

CONGRESS PLEASE ACT NOW!

Preserve and Protect the Fourth of July for the Future



APA
AMERICAN PYROTECHNICS ASSOCIATION

The Problem:

- The vast majority of all fireworks celebrations occur on July 4 each year.
- The professional industry that safely produces fireworks shows around the nation is comprised of 150 small family businesses that employ 3,000 skilled professionals year-round and another 20,000 in July.
- At least 75% of most professional fireworks display company revenues are earned on one day - Independence Day.
- In the months leading up to July 4, these family businesses have spent around \$150M - \$175M to buy, make, transport, and safely store millions of pounds of fireworks explosives and to get ready to celebrate our Independence.
- 4th of July celebrations are being cancelled across the country due to the pandemic.
- Without revenue from the July 4 season, these businesses don't know how they will pay this debt back, safely protect millions of pounds of fireworks explosives until next year and keep their lights on to get ready for next July 4, since there is only one Independence Day.
- With no opportunity for a do-over and the long period of time needed to carry the debt and stay in business until next year, the fireworks industry needs special help that does not fit neatly within the EIDL and PPP.

The Solution:

\$175 million in loans are needed by the professional fireworks industry and U.S. fireworks manufacturers to save next July 4 using a modified EIDL program that for a ten month "dead" period that this industry will have no matter how the economy comes back in the meantime.

1. The loans (1% interest) should be potentially forgivable at least in part;
2. Limit to companies that demonstrate that a substantial portion of its 2020 projected income that would have been but was not generated due to the pandemic, and relax collateral requirements to reflect this;
3. Use employees kept on, through April 1, 2021 who are essential to maintain all operations, ensure that the secure and proper storage of over 24 million of pounds of fireworks manufactured and purchased for 2020 and preparation for 2021;
4. Each company will donate one day of work per week of half its employees kept on payroll to do appropriate volunteer work for local government or charity;
5. Limit distributions to owners;
6. Offset loan forgiveness if company generates certain revenues before April 1, 2021;
7. For key employees who are furloughed:
 - a. Use loan to pay for continuation of all benefits paid;
 - b. Allow furloughed employees to accept UC payments and take on supplemental work elsewhere until company can bring them back.
8. Loan portions not forgiven can be paid back in 10 years.