DRAFT – August XX, 2020

The Honorable Mitch McConnell

Majority Leader

U.S. Senate

The Honorable Marco Rubio

Chairman, Committee on Small Business and Entrepreneurship

U.S. Senate

The Honorable Charles E. Schumer

Minority Leader

U.S. Senate

The Honorable Ben Cardin

Ranking Member, Committee on Small Business and Entrepreneurship

U.S. Senate

Dear Leaders McConnell and Schumer and Senators Rubio and Cardin:

The undersigned organizations represent small businesses in nearly every sector of the economy, and we are writing to express our strong support for the Paycheck Protection Program (PPP). The program has served as lifeblood to millions of small businesses during this historically challenging economic period. We appreciate that you are now considering legislation, the recently introduced “Continuing Small Business Recovery and Paycheck Protection Program (CSBRPPP) Act,” that would potentially offer a second PPP loan to qualifying small businesses. We urge you, however, to expand eligibility for the proposed PPP second draw to a greater share of struggling small businesses by lowering the gross revenue reduction requirement from 50 percent.

We truly appreciate your leadership in Congress’s historic response to the COVID-19 crisis. The PPP, in conjunction with increased support of our health care system, has enabled many small businesses to remain operational and retain employees, despite experiencing precipitous drops in revenue. However, the future for these same small businesses is extremely unclear. We are pleased there is consensus in the U.S. Senate to provide additional relief options to small businesses that need it the most. While we support inclusion of a revenue decline threshold for additional relief, our members’ experience informs us that the 50 percent decline as proposed in the CSBRPPP Act is simply too high.

Many small businesses operate with slim profit margins in a normal economy. For them, even a revenue decline of 20 percent or greater could mean the difference between staying in business or closing. For their employees, such a revenue decline could mean the difference between remaining at work and receiving benefits or losing their jobs.

For businesses with revenue declines of 20 percent or greater, but less than 50 percent – businesses currently excluded from the proposed CSBRPP Act – broad access to a second round of PPP funding, and the new, long-term, low-interest loan program, may prove the lifeline they need to stay afloat throughout the economic recovery. This second round of funding and access to these long-term loans is akin to a targeted investment from the federal government into the very businesses where it can make the most difference – many of whom benefited from PPP in the first place, but now, through no fault of their own, remain closed or forced to operate at reduced capacity to protect the safety of their employees, customers and the general public.

In summary, we urge you to expand small business access to the proposed PPP second draw by changing the eligibility requirement that businesses must demonstrate a gross revenue reduction of at least 50 percent. America’s small businesses have borne a heavy burden during the COVID-19 pandemic. These businesses have navigated an unprecedented landscape to continue to serve their customers, employees, and communities in a clean, safe, and compliant manner throughout this historic period. On behalf of our small business members, we encourage you to expand access to relief measures to further strengthen our national economic recovery.

Sincerely,

Agricultural Retailers Association

American Mold Builders Association

American Rental Association

Asian American Hotel Owners Association

Associated Builders and Contractors

Associated General Contractors

Coalition of Franchisee Associations

Franchise Business Services

Home Furnishings Association

Independent Electrical Contractors

International Council of Shopping Centers

International Foodservice Distributors Association

International Franchise Association

NFIB

National Association of Broadcasters

National Association of Professional Employer Organizations

National Association for the Self-Employed

National Association of Truckstop Operators

**National Association of Wholesaler**-**Distributors**

National Association of Women Business Owners

National Franchisee Association

National Restaurant Association

National Retail Federation

National Small Business Association

National Tooling and Machining Association

North American Die Casting Association

Petroleum Marketers Association of America

Precision Machined Products Association

Precision Metalforming Association

The Real Estate Roundtable

Signatory Wall and Ceiling Contractors Alliance (SWACCA)

Small Business & Entrepreneurship Council

U.S. Chamber of Commerce

U.S. Travel Association

CC: The Honorable Susan Collins

The Honorable Jeanne Shaheen