



May 22, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy,

We are writing today to thank you for scheduling time to consider the Paycheck Protection Flexibility Act, H.R. 6886, a bill we endorse. This legislation would make important changes to the Paycheck Protection Program (PPP), especially for independent restaurants.

We thank Representatives Chip Roy and Dean Phillips for their leadership on this issue as well as Chairwoman Velazquez and Ranking Member Chabot for their hard work on this bill. The changes the bill makes – extending the period to use the PPP, extending the deadline for use to December 31, 2020, and altering the 75/25 rules – will allow independent restaurants an important lifeline in these uncertain economic times.

The Independent Restaurant Coalition (IRC) represents the 11 million people across the country who work in more than 500,000 independent restaurants. Today, the majority of our restaurants stand on the very brink of survival. Many deserving businesses are successfully utilizing the programs that you created in the congressional response to the COVID-19 pandemic. But the restaurant sector has been and will continue to be devastated and it is now the #1 contributor to America's record unemployment. In addition, the duration of state and municipal closures has prevented the PPP from providing the vital lifeline we so desperately need.

At present, four in 10 restaurants are closed and the remaining 60% are operating at severely depressed revenue levels (sales have plummeted \$80 billion during the months of March and April alone). According to the National Bureau of Economic Research, restaurants can only expect a 30% chance of staying open, if the COVID-19 crisis lasts four months, which is lower than any other industry. Once we are allowed to reopen, we will continue to face significant hurdles. Revenue generation will be severely compromised due to social distancing policies (requiring fewer individuals in our restaurants) and limitations to large revenue generating events, including weddings, birthdays and corporate events.

While fixes to PPP are enormously important to the short-term survival of independent restaurants, the medium to long-term outlook is still very difficult as independent restaurants are facing social distancing mandates and reticent diners. As a result, we are looking to Congress to provide help through an Independent Restaurant Stabilization Fund in order to help us keep our staff and survive these enormously difficult times.

Again, we want to thank you for your leadership and encourage you and your respective conferences to support these important changes to the PPP.

Sincerely,

The Independent Restaurant Coalition