



March 21, 2020

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The Honorable Mitch McConnell
Senate Majority Leader
317 Russell Senate Office Building
Washington DC 20510

The Honorable Senator Charles Schumer
Senate Democratic Leader
322 Hart Senate Office Building
Washington, D.C. 20510

Dear Majority Leader McConnell and Democratic Leader Schumer:

I am writing on behalf of the Small Business Legislative Council (SBLC) regarding the federal response to the economic and public health threat posed by the Coronavirus. The SBLC stands with Congress in its concerns about the impact that COVID-19 will have on America's workers. We are concerned, however, that without further government assistance the Families First Coronavirus Response Act (HR 6201), as passed by the House and Senate, will place an unbearable burden on small businesses that will accelerate closures and create lasting economic damage. We urge Congress to seriously pursue additional measures to support small businesses, including those currently proposed in the CARES Act (S.3548).

The SBLC is a non-partisan, independent and permanent coalition of forty national trade and professional associations whose goal is to maximize the advocacy and presence of small business on federal legislative and regulatory policy issues, and to disseminate information on the impact of public policy on small businesses and closely held businesses, including family owned businesses. Through its members and their members, the SBLC members represents more than 50,000 businesses across all sectors of the economy.

Speaking as the voice of small business, as Congress considers additional steps to address this unprecedented crisis and expand and improve upon HR 6201 we urge you to bear the following in mind:

- ***Without immediate government support, many small businesses will simply not have the resources to comply with the new mandatory paid leave law.*** Providing a refundable tax credit next year is not a feasible solution for those small businesses that are already struggling to survive and to meet their existing financial obligations with little to no incoming cash flow. These additional financial obligations may force many such small businesses to close well before any tax credit would be available to them. Such closures will have terrible short and long term impacts on the employees that Congress is intending to help – rendering them unemployed and without access to the employer provided group health insurance plans. This is not to mention the strain that such closures would place on social safety nets such as unemployment insurance and Medicaid.

- ***Those obligations that have been imposed on small and/or mid-sized businesses should also be extended to large businesses as well.*** We would all like to hope that large businesses will do what they are able to help their workers. However, it is simply inequitable for large businesses, which, from a financial standpoint are generally better poised to weather the unexpected than their smaller counterparts, to be excused from, or treated more favorably under, any new law. To the extent that Congress does not wish to extend the refundable tax credit to large businesses it is that part of the law which large businesses should be exempted from not the obligation to provide the paid leave.
- Any exemptions or special programs for small employers should be automatic and should not require small businesses to seek approval or eligibility. Again, small businesses are facing a struggle for their survival and are simply not in a position to wait for regulations or procedures or to jump through hoops to obtain relief. Providing Secretary of Labor with authority to exempt businesses with under 50 employees under specific circumstances, does not provide for a meaningful carve out.

Again, the SBLC supports Congress' desire to help the millions of employees impacted by this unprecedented crisis. We simply urge Congress to do so in a way that won't be a death knell to countless small businesses. The small business loan provisions contained in the CARES Act would be a step in the right direction in this respect and we strongly support their enactment.

We thank you for your consideration of this matter and stand ready to provide any additional information or assistance that you or your staff may require.

Sincerely,



Paula Calimafde
President and General Counsel

cc: Board of Directors

Members of the Senate Committee on Small Business and Entrepreneurship
Members of the Senate Committee on Health, Education, Labor, and Pensions