

Congress of the United States

Washington, DC 20515

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, Capitol Building
Washington DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S House of Representatives
H-204, Capitol Building
Washington DC 20515

Dear Speaker Pelosi and Minority Leader McCarthy,

Restaurants have been absolutely devastated across the country due to the coronavirus pandemic and ensuing lockdowns and shelter-in-place orders. While we are strong supporters of the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) Advance Program, we believe more must be done to help local restaurants around the country.

Unsurprisingly, the booking site Open Table finds restaurant reservations are down a full 100% across around the United States. According to survey data, over 38% of restaurants have completely closed, while 77% have seen at least a 50% reduction in sales. The National Restaurant Association projects losses in March and April will approach \$100 billion nationwide. Per a Harvard Business School survey, only 15% of restaurants state they could survive a six-month closure.

Congress has already taken important steps. The direct stimulus payments, expanded unemployment insurance, and small business loan and grant payments are essential life bridges for keeping workers and businesses in the industry afloat.

Recent data shows that “Accommodation and Food Services” received only 8.9% of the first batch PPP funds. Crucially, this category also includes Chains like Shake Shack, Ruth’s Chris, and other chains that received maximum sized loans indicating local restaurants received only a tiny portion of the PPP pie. Though we undoubtedly understand that all sectors of the economy have been hit by this economic crisis, local restaurants have borne a disproportionate amount of the suffering, yet are not receiving their fair share of PPP funds.

Going forward, we believe more must be done to protect these important economic (and cultural) institutions. We propose the following steps:

1. Extending the duration of the loans under the PPP for businesses in the “Accommodation and Food Services” Sector. Given the unlikelihood of a complete return to normalcy because of social distancing measures, extending the loan repayment time period will be essential to keeping local restaurants afloat.

2. Allow a larger percentage of the money to be used for rent or other expenses. Many of the places hit hardest by the coronavirus also have the highest average rents. Restaurants in expensive cities will struggle to survive if they cannot allocate a higher portion of PPP funds to their rents or mortgages.

3. Create a special mechanism whereby local restaurants without formal business banking relationships or those who are in the informal sector of the economy can also access these loans. Any aid should be conditioned on full back tax payments if they are owed.

4. An above-the-line tax deduction for restaurant gift cards. This will encourage consumers around the nation to provide liquidity to restaurants.

Thank you for considering the inclusion of these crucial items in the next CARES package.

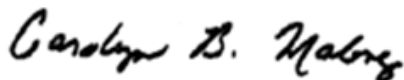
Sincerely,

A handwritten signature in blue ink, appearing to read "Gregory W. Meeks".

Gregory W. Meeks
Member of Congress

A handwritten signature in blue ink, appearing to read "Nydia M. Velázquez".

Nydia M. Velázquez
Member of Congress

A handwritten signature in blue ink, appearing to read "Carolyn B. Maloney".

Carolyn B. Maloney
Member of Congress

A handwritten signature in blue ink, appearing to read "Hakeem Jefferies".

Hakeem Jefferies
Member of Congress

A handwritten signature in black ink, appearing to read 'Grace Meng' in a cursive style.

Grace Meng
Member of Congress

A handwritten signature in black ink, appearing to read 'Thomas R. Suozzi' in a cursive style.

Thomas R. Suozzi
Member of Congress

A handwritten signature in black ink, appearing to read 'Max Rose' in a cursive style, followed by a long horizontal flourish.

Max Rose
Member of Congress

A handwritten signature in black ink, appearing to read 'Peter T. King' in a cursive style.

Peter T. King
Member of Congress