

May 13, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20510

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives  
Washington, DC 20510

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Chuck Schumer  
Democratic Leader  
U.S. Senate  
Washington, DC 20510

RE: Paycheck Protection Program

Dear Speaker Pelosi, Leader McConnell, Leader Schumer & Leader McCarthy:

On behalf of the Washington Retail Association and the 4000+ storefronts we represent across Washington State, we would like to express our appreciation for the progress Congress has made to protect both small businesses and their workers through the Paycheck Protection Program (PPP).

We applaud the intent to protect small business workers' paychecks through the PPP's loan forgiveness feature. Since the passage of the CARES Act on March 27, most states have extended their original stay-at-home orders. Therefore, the initial assumption of re-opening and re-hiring all workers within eight weeks of receiving the loan deserves your review and adjustment.

Small retailers and their workers have made incredible economic sacrifices to mitigate the spread of the COVID pandemic. We request your consideration to extend the eight-week time limitation to spend on payroll for the following reasons:

- Workers' fear of exposure: Many workers are hesitant to return to work due to their fear of COVID exposure. According to the [Bureau of Labor Statistics](#), over 15% of retail workforce are age 55 or older and are considered high-risk for COVID. Even with a thoughtfully developed safety plan, workers' fear of exposure to themselves and their family is still very real.
- Workers' preference for unemployment benefit when there is no real work: The \$600/week extra unemployment benefit results in workers resenting being brought back on payroll regardless of whether they work or not. This puts small retailers in an awkward position, especially when most of them have a "family-like" relationship with their workers.
- Workers prefer payroll certainty: Workers are aware of the gradual re-opening and economic uncertainties. Since the generous extra \$600/week unemployment benefit ends on July 31, workers prefer being on unemployment until their employers' job offer represents a bona fide job. They do not want the anxiety and uncertainty that may come from bouncing back and forth between unemployment and full employment.
- Small retailers lack cashflow once the PPP loan is dried up: Small retailers are expecting a slow and uncertain revenue flow due to the slow re-opening phase approach in Washington state. Since they continue to incur overhead expenses not covered by the PPP loan, owners would run

out of the cashflow needed to meet payroll and overhead expenses beyond the initial eight-week. On May 8, the [SBA reported](#) that 40% of the second round of PPP funding remains available because “many business owners have concluded that the SBA’s PPP simply doesn’t meet their needs.”

Business viability and long-term job security for workers should be the goals of the Paycheck Protection Program. Extending the eight-week payroll spending mandate to 16-20 weeks upon receiving the PPP loan will alleviate most of the concerns listed. We believe this is the best way for Congress to protect workers’ paychecks. In fact, a May 3 Wall Street Journal [article](#) mentioned that Senators Ron Wyden and Ben Cardin are interested in extending the eight-week restriction.

Thank you for considering the needs of small businesses.

Sincerely,



Renée Sunde  
President/CEO