



March 23, 2020

The Honorable Ben Cardin
United States Senate
509 Hart Senate Office Building
Washington, DC 20510

The Honorable Chris Van Hollen
United States Senate
110 Hart Senate Office Building
Washington, DC 20510

Dear Senators Cardin and Van Hollen:

On behalf of the Maryland Chamber of Commerce, representing over 4,500 business members and federated partners, we thank you for your decisive actions in addressing the COVID-19 crisis impacting our state and country. We are requesting immediate additional assistance for our state's businesses to mitigate the impacts on our communities.

The Maryland business community understands that necessary measures must be implemented to protect our communities and to assist in preventing the spread of COVID-19. Businesses are willing to do their part; however, the implications are severely impacting all industries. Businesses of all sizes are facing financial deficiencies due to current mandated closures and loss of customers, as well as critical operating pressures resulting from reduced staffing and a disrupted supply chain. With the continued execution of these essential actions, these impacts on business are growing exponentially. The long-term effects and economic fallout could be devastating and could include permanent business closures.

We recommend the following be included in the CARES Act legislation:

- Cancel the payment of all payroll taxes typically paid by employers for the months of March, April and May.
- Streamline and expedite Small Business Administration Economic Injury Disaster Loans (EIDL) and eliminate restrictions that businesses/organizations seek alternate loans or funding first.
- To provide continuity of employment through business interruptions, authorize the creation of a small business interruption loan program and appropriate \$300 billion for the program.
 - The U.S. government would provide a 100% guarantee on any qualifying small business interruption loan.
 - Eligible borrowers: Employers with 500 employees or less (phased out)

- Loan amounts: 100% of 6 weeks of payroll, capped at \$1,540 per week per employee (approx. \$80,000 annualized)
 - Borrower requirement: Employee compensation must be sustained for all employees for 8 weeks from the date the loan is disbursed.
 - Lender: U.S. financial institutions
 - Streamlined underwriting process: Lender verifies the previous 6-week payroll amount and later verifies that the borrower has paid 8 weeks of payroll from date of disbursement.
 - Authority for the Treasury Department to issue regulations establishing appropriate interest rate, loan maturity, and other relevant terms and conditions
- Appropriate an additional \$150 billion to the Exchange Stabilization Fund and authorize use of those funds for secured lending or loan guarantees to assist other critical sectors of the U.S. economy experiencing severe financial distress due to the COVID-19 outbreak.
 - Require federal agencies to promptly pay small business prime contractors and contractors with small business subcontractors within 15 days, notwithstanding any other provision of law or regulation, for the duration of the President invoking the Defense Production Act in response to COVID-19.
 - We also echo the recommendations made by the U.S. Chamber of Commerce, including asking for your consideration in establishing a “bridge loan” program for employers of more than 500 people. That program should consist of the following elements:
 - Federally guaranteed loans: Companies with more than 500 employees that have seen a revenue loss of 10% or more as a result of the COVID-19 outbreak based on the creditworthiness of the company in January 2020 should be eligible.
 - Suggested maximum loan amount: 3 months of payroll expenses (including pro-rata healthcare expenses).
 - Suggested repayment: Loans would be repayable over 5 years.
 - Suggested employee retention incentive for severely impacted employers: Employers with more than 25% loss in revenue that maintain at least 90% of the employees at existing pay levels through December 2020 should have 10% of their loan forgiven.
 - Backing: These loans could be issued by financial institutions through a credit facility.

Congress must act quickly to stem the impacts on of our economy. On behalf of the Maryland business community, workers and their families, we thank you for your consideration and we look forward to working with you during this challenging time.

Sincerely,



Christine Ross
President & CEO
Maryland Chamber of Commerce

