



September 14, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
Washington, D.C. 20515

The Honorable Chuck Schumer
Democratic Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Pelosi and Leaders McConnell, McCarthy, and Schumer:

Exactly six months ago, restaurants across the country were directed by local governments to shut down indoor dining. Four days later the National Restaurant Association offered input to federal policymakers on how to support the nation's second-largest private sector employer. Today, we would like to update you on the state of our industry, and on behalf of both our members and our workforce, plead for bipartisan action before you recess for the November elections.

In conjunction with our State Restaurant Association partners, we have conducted a detailed assessment of restaurant owners across the country representing every segment of the industry – from franchise operators to independent owners. The findings are startling. We estimate that at least 100,000 restaurants are closed – nearly one in six. Three million restaurant employees are without a job, and the industry remains on track to lose \$240 billion in sales by the end of the year. Perhaps most alarmingly, forty percent of owners surveyed say they are likely to close within six months absent government support.

Federal support to date has focused on the Paycheck Protection Program (PPP), providing eight weeks of assistance for an industry that has been wrecked for six months. We submitted to Congress a comprehensive "Blueprint for Restaurant Revival" in July, but despite this effort, a larger solution for the industry seems unlikely to be passed this year.

This month marks a critical inflection point for the restaurant industry. Outdoor dining will soon be impractical for many owners, and without immediate steps from Congress, thousands of restaurants may close before you reconvene after the November elections. There are short-term, basic solutions with bipartisan support that have already been approved by one chamber of Congress. Specifically, we urge you to pass the following proposals this month:

- Authorize a second round of PPP, with greater flexibility for both operating expenses and payroll outlays.
- Ensure that expenses paid with PPP loans are deductible from federal taxes.
- Expand the Employee Retention Tax Credit (ERTC) to help restaurants get support after a PPP loan has run out.

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- Provide restaurants with tax credits to help allay the significant costs restaurants are incurring for equipment, supplies, and training to mitigate employee and customer exposure to COVID-19.

I suspect that each of you have learned of restaurant closures in your community that break your hearts – from revered local independents to popular regional chains to the favorite corner diner. These closures occurred during spring and summer months when people longed to enjoy a meal out. As fall and winter approach, restaurants that are still open will face even greater challenges as customer traffic declines. We simply cannot wait for the perfect solution from Congress – particularly in the final month before you return to your home states. The time for action – in any form – is now.

Thank you for your leadership. We look forward to working with you for short-term solutions in the days ahead, and on long-term actions beyond that.

Sincerely,



Sean Kennedy
Executive Vice President, Public Affairs