



RESTART Act Position Statement

BACKGROUND

While many businesses are suffering due to the coronavirus pandemic, there are challenges that put specific industries in a particularly distressed status. The hardest-hit businesses are seeking programs to provide funding to sustain their businesses for the remainder of 2020 and provide backstops against ongoing economic challenges. In Lancaster County, restaurants, hotels and the live-event industry, among others, have been substantially impacted.

EXAMPLES OF IMPACT IN LANCASTER COUNTY

- In 2018, Lancaster County tourism, hospitality and restaurant businesses, brought an estimated 8.85 million visitors to Lancaster County who spent \$2.24 billion. In addition, these businesses support nearly 26,000 jobs and generate substantial state and local tax revenue. While Lancaster County is open for business in many ways, these industries continue to be impacted by limited travel and visitors. Live theaters such as Sight & Sound who previously had 800,000 visitors a year and just recently could reopen, tourism attractions like Dutch Wonderland who operated at limited capacity and ended their season early, and restaurants who continue to operate at limited capacity and face an uncertain fall and winter without outdoor options.
- Another specific industry impacted is the live events industry. Rock Lititz, a live-events hub, boasts 42 companies providing products and services for live events, concerts, award shows, Olympics, Disney and more. Pre-COVID, these companies were providing approximately 1,300 jobs in our community, paying about \$70-75 million in wages and employing artists, designers, engineers, welders, manufacturing and more. Unfortunately, as a result of the pandemic, many of these businesses are suffering, their employees are out of work and there has been a paralyzing impact on scheduling, routing, production and performance. At this time, it is not likely they will see any significant work until well into 2021.

The Reviving the Economy Sustainably Towards A Recovery in Twenty-twenty Act (RESTART Act) has been introduced in the US Congress as a tool to provide sustained security for the hardest-hit businesses across many industries. It supports the near-term fix to the Paycheck Protection Program (PPP) and creates a new, longer-term loan program available to businesses of all sizes up to 5,000 employees.

The bill outlined a near-term PPP fix, but since the time of introduction the PPP covered period has been extended to 24 weeks to allow additional time to deploy PPP funds and meet the requirements for loan forgiveness.

The long-term strategy includes a loan program beyond PPP to provide funding that would cover six months of payroll, benefits, and fixed operating expenses for businesses that have taken a substantial revenue hit, with a share of the loan forgiven based on the revenue losses and then the remainder repaid over seven years.

POSITION

The Lancaster Chamber supports the RESTART Act. Small businesses facing prolonged closure need longer-term assurances and support from the federal government in order to survive more months of reduced revenue.

Relief should be delivered expeditiously, building on existing programs while determining the new loan program, for funds to flow to small businesses most in need.