

I am the owner of (name of Business) in (City, State). I appreciate the intent of SBA's Payroll Protection Program, to help small businesses like mine rehire and stay in business. It is a much needed program but I fear the program is short sighted and will only forestall the unemployment problem which will return when the economy has yet to recover in 8 weeks.

Drycleaning and laundry facilities like my business are considered "essential" during this crisis. My business provides a service to our community to clean and sanitize those garments, comforters, blankets, and uniforms that cannot be safely cleaned at home. Since the onset of the Covid-19 pandemic I have seen a drop of close to 90% in my business. I am afraid that the PPP loan that I received will only help in the very short term. Because of the significant drop in business, I do not have to have as many employees. Yes, I can bring my employees back to do nothing but what happens at the end of the 8 week period when there is still no business—I have to lay them off again?

Here are some of the specific challenges we face in trying to use the PPP:

- 1) the 75% payroll portion of PPP funds would require us to bring back employees and pay salaries even though we have zero revenue coming in. At the end of the 8 weeks, it appears highly unlikely that our revenue will be back to pre-COVID 19 levels resulting in unsustainable employee staffing and therefore resulting in another layoff.
- 2) Employees are hesitant to return to work due to COVID-19 fears.
- 3) Employees are refusing to return to work and give up the over-generous unemployment benefits they are now being paid. With the additional \$600 weekly Federal payment added to the regular state unemployment amount, they are getting paid substantially more to stay home. We can't compete with an unemployment wage which is often more than TWICE what they are being paid.
- 4) We are trying to save our businesses, and our employees feel we are taking advantage of them by not letting them remain on unemployment. Imagine the hostility and low morale when we must force them to come back.

To be a true benefit there needs to be changes to the structure of the program. Lengthen the eight-week window for forgiveness as government shutdown orders have been extended and the public health and economic future is uncertain. The payroll coverage period should be extended to 12 or 16 weeks and there needs to be allowance for less than a full staff. We will bring back as many people as possible, but there needs to be some understanding. Instead of 100% of where we were last year, we urge you to consider a more realistic 50% target. Allow for "in good faith" re-hire efforts to satisfy the pre-crisis employee count requirement for loan forgiveness.

If we can't bring our people back, the penalties on us are extremely punitive. If we bring back some of them, pay them even if there is no work, we are assuming that the PPP is forgivable. But if they don't come back – then we are now forced to pay the funds back. We are caught in an extremely delicate situation. For the PPP to benefit small businesses, these guidelines need to be re-evaluated and adjusted.

It is vital to allow employers who want to retain their reduced workforce levels to use the loan's forgiveness aspects. This will enable us to still bring some of our staff off unemployment, and to spend the money to keep staff employed as it was intended. We urge you to remove a perceived penalty for not being able to entice some workers back to work.

As it stands now, after the COVID-19 crisis is over, I fear my business will not suddenly return to the level it was prior to the crisis especially since the reopening of the economy will be phased in. I strongly urge that the SBA consider changes to the forgiveness requirements by extending the 8 week requirement and setting a lower level than 75% rehire.

Thank you for your consideration.