Federal Update with Sean Kennedy

- When the COVID-19 crisis first began, the NRA approached Congress with three requests; a restaurant-specific recovery fund, low-interest loans, and tax credits.
- Instead, Congress implemented the Paycheck Protection Program.
  - NRA lobbied to expand eligibility to allow all restaurants to participate.
- The PPP rules came out, and there were big problems. Specifically, the 8 weeks, the 75/25 ratio, 2-year term.
  - All this was well-intended, but we can’t fulfill these requirements under current business operations.
  - Now Congress is at a gridlock with the fourth relief bill.
  - Republicans view PPP as their alternative to unemployment. They want to take care of people by using businesses as a “pass-through”. The Democrats want to enhance unemployment because these are uncertain times.
  - There is a collision between the enhanced unemployment and the PPP requirements.
- We were the first industry to say that the program wasn’t working – as the nation’s second-largest employer, we are obligated on behalf of our members to say that changes need to happen to the program.
- We are hoping that Treasury will make changes in the future. If that doesn’t happen, then we will need to pass additional legislation.
- The PPP will not help keep people on our payroll – no other industries have lost more jobs and revenue than the restaurant industry. The current system is not working.
- In a recent letter, the NRA reminded Congress of the bleak outlook for the industry. We are now lobbying for a restaurant-specific recovery fund. By putting all restaurants in PPP, businesses of all sizes are competing for resources. We need something specific to help, and want a restaurant fund of roughly $222 billion.
- NRA is also advocating to allow for flexibility for the 8-week window, changes to the 75/25 ratio, and a 10-year term.
- Business interruption insurance – We know that insurance companies are not paying out these policies. We need a federal solution, and the insurance companies are not putting any skin in the game.
- Please join the fight by visiting the [NRA advocacy network](#) and submitting your feedback.

Potential future fights

- We are looking at the permanent implementation of liquor takeout and delivery.
- We anticipate a broader discussion of paid sick leave in the future.
We need you to follow-up on our calls to action. We need data to effectively advocate, and we need you to participate in our action alerts.

Q&A

Can we include a request to convert PPP loans that have already been received to any forthcoming standards?

- We want the change to be retroactive and include everyone that has already received their loan.

Senator Bennet has indicated that they have a plan to change PPP, but he said that he only wanted changes to PPP for businesses with fewer than 150 employees. What are you hearing for other federal elected officials?

- This is offensive to people that don’t understand our business models and how the franchise system works. I don’t fault the notion to only make PPP available to small businesses, but we really need a restaurant-specific solution more than anything. It’s hard to say what the likelihood of Congress making changes is. It’s going to be tough, but it’s definitely not going to happen unless we continue lobbying hard.

What about people that haven’t been able to get any funding, PPP or otherwise?

- Our number one request is for a restaurant-specific recovery program. PPP is tough to use, and it’s tough to get the money. Businesses that aren’t suffering are getting approved, while our industry is hemorrhaging and struggling. It’s very likely that Congress will not send a third round of PPP funds, so we need to focus on an industry solution instead.

Why don’t you agree that small/independent restaurants need more attention?

- We do understand that, but the franchises are struggling too. There are very few businesses that are going to come out of this unscratched. The lack of unity is going to hurt us, we need to focus on the industry as a whole, and division will kill us. When Congress doesn’t see unity within an industry, they will look to help an industry that does, because it appears less complex.

What was the logic behind the 75/25 loan ratio?

- The goal of PPP was to address unemployment. So they devised a plan to take 8-weeks of payroll costs and give federal relief for it. The extra 25% is a bonus for businesses.

We were told that the $10K EIDL advance would come through in 3 days. That’s not the case. What do you know about this?

- We need cash grants. This is a federal crisis that is uniquely affecting our sector. We are as frustrated as you are with the lack of efficiency in loan processing. SBA administers $60 billion/year. They were given a $349 billion program all at once, and they weren’t prepared.

What can we do individually to help?

- Respond to surveys, and respond to state and federal advocacy efforts and action alerts.
What does the future look like with Congress?

- The House wants the next bill to focus on unemployment, hospitals, and state assistance. The Senate wants to focus on business liability. And the President wants it to look like an infrastructure enhancement. This means that the next bill will likely take longer to negotiate.

State Update with Sonia Riggs and Nick Hoover

- We want to continue the additional revenue of alcohol takeout and delivery and the sale of provisions.
- We want cash however we can get it; local government grant programs are a good example.
- We also want to see flexibility as the industry begins to reopen. Other states are enacting policies that won’t work here.
- We are looking to add additional capacity outdoors, expanding licensed premises, common consumptions areas, and utilizing all adjacent open spaces. There is talk about shutting down streets too.
- We are also working with our state legislature to make sure our industry is given some relief when they go back to session. We are in constant communication with leadership in both state chambers, and we are telling them what we will need going forward. We are looking at changes to the tip credit and local minimum wages, which is getting good support and momentum. We are pushing for changes to sales tax collection and sales tax holidays. We are looking at bills that have already been introduced and supporting those that will help the industry and killing those that would hurt it.