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United States Senate

April 7, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Leader McConnell and Leader Schumer:

I write today to urge you to bring legislation to the U.S. Senate floor that addresses the concerns of small businesses that initiatives authorized in the Coronavirus Aid, Relief, and Economic Security (CARES) Act lack sufficient funding and flexibility to help those who need it the most. By working together, we can ensure small businesses and their employees can continue their critical role in communities in states like Montana as we combat the impacts of COVID-19.

Montana's small and mid-sized businesses are facing significant economic challenges because of the necessary steps being taken to combat this public health crisis. While the rollout of the Paycheck Protection Program has been imperfect, it is clear that there is significant demand among small businesses. Montanans have shared with me their concern that the initiative will run out of funding before all lenders are able to process loans or small businesses are able to apply. This is unacceptable and must be addressed. I find it particularly frustrating that businesses may miss the current opportunity for support for reasons outside of their control as there continue to be problems with the website and insufficient guidance for lenders.

In addition to addressing funding concerns, there are issues that need to be reviewed to make sure the support Congress sought to provide to main street businesses and their communities get to those that need it. As we crafted the bipartisan version of the CARES Act, I spoke with many Montanans about the challenges they were facing to ensure their voices were heard. Those conversations emphasized that the survival of our small businesses is paramount to the well-being of many of our communities. Since SBA started implementing the Paycheck Protection Program, I am hearing from constituents that there are many Montana organizations this initiative does not work for as currently structured. While it is positive that resources are getting to many businesses, there is still insufficient guidance to lenders working to facilitate the program. There are also unnecessary burdens and limitations for small businesses, particularly pertaining to their structure or general eligibility. We must ensure these resources are going to the intended businesses and include appropriate oversight, but we should not be shutting out small businesses in our communities over technicalities or bureaucratic decisions. We should also be leveraging existing resources, including Community Development Financial Institutions, to ensure that even the smallest businesses are able to quickly access this program.

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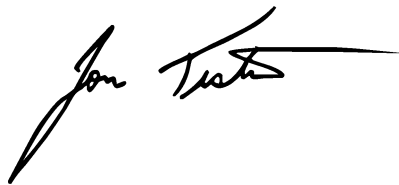
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While Congress clearly intended for this program to help the hardest hit main street businesses deal with COVID-19, Montana's locally owned taverns that receive more than one third of their revenue from gaming have been shut out of this initiative. These family-run small businesses are important employers and sometimes the only food options in our most frontier communities, and need access to this program. In the CARES Act, Congress also explicitly included tribal businesses broadly as eligible. However, SBA has limited Tribal businesses engaged in gaming which are often integral to economies in Indian country. In addition, Montana has a significant outdoor economy with seasonal workers who are facing unique challenges as the crisis continues that Congress and the SBA did not adequately address in the CARES Act. Any additional legislation should consider the seasonal nature of outdoor industries and ensure those characteristic don't exclude outdoor businesses and workers from SBA initiatives. Finally, while the Paycheck Protection Program is rightly open to organizations not ordinarily eligible for SBA loans, it leaves out other groups, including tourism and business organizations, that provide important support for our small businesses and communities.

We must provide the resources necessary to ensure we are adequately addressing the effects this crisis is having on main street businesses, rural communities, and working families. I stand ready to work with you to address this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Tester", with a long horizontal flourish extending to the right.

Jon Tester