

United States Senate

April 20, 2020

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, D.C. 20416

Dear Secretary Carranza,

I write to urge you to support legislative efforts to allow 501(c)(6) organizations to receive much needed relief from the Paycheck Protection Program (PPP). As you know, while other non-profit entities, such as 501(c)(3) and 501(c)(19) organizations, are eligible to participate in the PPP, chambers of commerce, as 501(c)(6) organizations, remain ineligible. Local chambers of commerce are an important lifeline on which many small businesses are relying to navigate today's troubled economic waters. In fact, many of these chambers of commerce originally alerted their members to this very program and have helped guide them on how to apply, yet they now cannot access relief themselves.

Chambers of commerce have suffered financially from this crisis right alongside their members. Revenues are down 30 to 70 percent, compared to March of last year, as events and event sponsorship deals have evaporated. Going forward, many chambers anticipate even more severe revenue contractions as firms sinking into the red look to jettison costs and membership dues begin to dry up. More than half of all chambers have less than 10 percent of annual revenues worth of cash on hand, leaving them a very limited buffer of working capital with which to weather this storm. Chambers have responded by furloughing staff and cutting salaries, but without federal assistance, these measures will have been in vain. Moreover, these sacrifices have come just as chambers have worked to assist their members beset by their own tremendous financial difficulties.

When we emerge from this pandemic and re-open the American economy, the members of the more than 6,500 chambers of commerce throughout the U.S. will be in urgent need of the services these organizations provide in order to effectuate a swift recovery. In my state, roughly half of all small businesses belong to their local chamber of commerce. Hispanic chambers in particular are working diligently to protect a community that is especially vulnerable to high unemployment. Their efforts demonstrate just how valuable these organizations are, not only to their members, but also to the health of our entire economy. Chambers assist in matching those seeking work with firms who are hiring; attracting skilled workers to their communities and in training local talent; securing funding and designing effective marketing strategies to quickly

reclaim market share along with myriad other efforts to support their members. Chambers of commerce would therefore be using PPP proceeds to retain personnel whose core job function is enabling businesses in their communities to grow and thrive. If we allow these incubators of growth and innovation to go under, it will seriously delay our economy's ability to recover from this crisis.

We cannot stand idly by as chambers of commerce struggle to help their members find an economic lifeboat, only to be left adrift for their efforts.

Sincerely,



Ted Cruz
United States Senator