



April 22, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
Washington, D.C. 20515

The Honorable Chuck Schumer
Democratic Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Pelosi and Leaders McConnell, McCarthy, and Schumer:

The Amusement and Music Operators Association and our membership thank you for your steadfast commitment to assisting small business owners in this time of unprecedented economic uncertainty.

The Amusement and Music Operators Association (AMOA) is a 70-year-old association dedicated to promoting and serving the family entertainment industry. The AMOA represents the needs and interests of those engaged in the sales, operation, marketing, distribution, and manufacturing of currency-activated equipment. These are multi-generational, family-owned small businesses that support family entertainment in local communities. As you can imagine, the impact of mandated shut downs has been debilitating to our industry.

We applaud the establishment of the Paycheck Protection Program (PPP) as it has been a critical lifeline for our industry and is enabling our struggling membership to access important loans from the Small Business Administration. The PPP is a critical first step for our industry to survive the crisis. We are however concerned that the program is not providing enough relief to make our industry solvent.

While the PPP is funded at \$349 billion, we know that the limit has already been reached and that banks are no longer accepting applications. We are hopeful now that the Senate has passed more legislation to provide additional funds, the House will follow suit.

While we appreciate all the efforts of the PPP, it does not provide long-term solvency, and the future success of these multi-generational small businesses remains in peril. We do believe that additional steps are needed to stabilize our industry and we implore Congress to enact the following changes to PPP:

Provide Flexibility in Timing to Use PPP Loans: The “covered period” of the PPP requires that the loans must be used within roughly eight weeks of its origination. The growing reality is the bars, restaurants, bowling alleys, movie theaters, and all other entertainment venues our members operate in will never be in full operating capacity within that time. Allowing loans to be retained until a full reopening of these venues takes place will stabilize our members businesses and ensure their employees stay employed for the long term. Specifically, the outside rehire date should be changed to at least 90 days from when these locations are allowed to fully reopen, which would allow for a ramp-up period back to some kind of a normal business cycle. Extending the PPP through the end of December 2020, with an adequate appropriation and an extended hiring window to rehire full-time equivalent employees, allows a ramp-up period that returns to some form of a normal business cycle.

Revise Loan Restrictions in Light of Industry Realities: In order to achieve forgiveness, the Department of Treasury mandated that 75% of the PPP loan must be spent on payroll. In an industry currently working with skeleton staffs—if any—this limits the benefits to our small business owners. Many of our owners spend as much as 50% of their monthly expenses on service vehicle obligations and expenses tied to their currency-activated equipment. This mandate must be altered to a lower percentage of no more than 50% spent on payroll.

Ensure Loan Terms Match Congressional Intent: While the legislative text of the PPP allows loans to have up to a 10-year maturity date, the Department of the Treasury has mandated that loans have only a two-year term. Our members will need much longer to recoup the damage and return our industry to a state of normalcy. The timeline needs to take into consideration that recovery will extend far beyond two years.

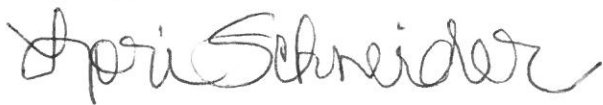
Exemptions from Loan Forgiveness Reduction: Congress should re-emphasize that the SBA Administrator and the Secretary of the Treasury can act on their explicit “de minimis” exemption authority under PPP in order to protect businesses that face reductions in loan forgiveness, especially if businesses have major declines in sales revenue. Employee retention levels will be a continued challenge for these small businesses, as many of their locations are currently prohibited from offering dine-in services and once opened will exercise sustained social distancing protocols which will severely reduce revenue opportunities.

Deferral of Certain Tax Payments to Provide Liquidity: Businesses utilizing the PPP and seeking loan forgiveness must be allowed to defer payroll taxes owed this year to the next two years, as provided under Section 2302 of the CARES Act.

The severity of this pandemic has made it clear that the venues in which our members operate will be closed far longer than originally anticipated. Once “normal” operations resume our small business owners will virtually be operating as startup organizations in desperate need of cash. Our industry, an integral part of the amusement and hospitality industry, represents tens of thousands of employees and deserves a unique response from Congress.

Thank you again for your engagement on behalf of AMOA and our small business members, we look forward to our continued work together.

Sincerely,



Lori Schneider
Executive Vice President