Congress of the United States
Washington, DC 20515

March 16, 2020

The Honorable Nancy Pelosi
Office of the Speaker
H-232, The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
H-204, The Capitol
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy:

Just before 1:00am on Saturday, March 14, the US House of Representatives passed the second Coronavirus response bill in as many weeks. Many sections of the legislation are positive and provide critical assistance to the countless individuals who will need assistance in the coming weeks and months. However, one section in particular, without amendments or administration guidance, may cause more harm than good. We can, and must, protect employees, but we should do so without unnecessarily risking the jobs of these very employees at the same time.

In simple terms, the House bill creates a new mandate that employers with fewer than five hundred employees provide employees with emergency paid sick leave and extended leave under the Family and Medical Leave Act (FMLA). These measures are meant to address issues raised by the Coronavirus ranging from self-isolation or treatment for exposure to the virus itself to staying home when a child's school or child-care provider is closed due to public health concerns. These mandates, if they become law, will become effective almost immediately.

It is vital that we ensure that both sick and healthy employees are able to observe life-saving quarantine and social distancing practices. We must also be mindful of the challenges faced by working parents during this challenging time. However, the cost of alleviating this burden cannot be carried solely on the backs of small business owners. If we do this wrong, it is the very employees we are trying to help who will be harmed the most.

The bill passed by the House leaves numerous questions unanswered. Small businesses with insufficient cash flow or existing tax liabilities are unable to immediately take advantage of the government assistance and this presents a major challenge. While Secretary Mnunchin's plan, announced after the vote, to advance funds from businesses' withholdings accounts alleviates some of the problems, the government's ability to do this in a timely manner remains to be seen.

As written, the bill places much of the burden of responding to this crisis on those very businesses which are the least able to cope with it. This is a time when business owners are seeing their cash flow dry up as people around the country begin social distancing and withdraw from eating out or shopping.

While the prospect of refundable tax credits down the line might ultimately ease some of this burden, it does not address the immediate issues small businesses will be facing: how to make rent, keep their supply chains running, and, most importantly, make their payroll.

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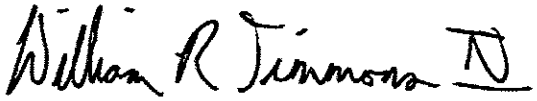
The House still has an opportunity to fix this. The final product must protect employees and it needs to do so in a way that does not accelerate business closures. One possible remedy would be to address the ambiguity surrounding the process for exempting adversely impacted small businesses. We need to find solutions that can provide a vital lifeline to countless businesses in communities across our country. This will help workers, families, and our broader economy.

We urge the House to act quickly to address these legitimate small business concerns before sending this legislation to the Senate.

Sincerely,

Bryan Steil (WI-01)
Member of Congress



William R. Timmons, IV (SC-04)
Member of Congress

Other Signers:

Rep. Jim Banks (IN-03)
Rep. Jeff Duncan (SC-03)
Rep. Mike Gallagher (WI-08)
Rep. Glenn Grothman (WI-06)
Rep. Ralph Norman (SC-05)
Rep. James F. Sensenbrenner, Jr. (WI-05)
Rep. Joe Wilson (SC-02)