UNITEHERE!
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May 26, 2020

Dear Speaker Pelosi and Leader Schumer:

We believe in your good intentions to bring relief to America during this unprecedented health and economic crisis, but we write with urgency for you to stop yet another giveaway to big business at the expense of workers. We refer to the plan in the House to "fix" the Paycheck Protection Act, or PPP, that is apparently scheduled for a vote this week.

We ask you to hold firm and not negotiate away incentives to retain, re-hire, pay or continue health benefits for workers *while getting nothing in return*.

We could not be more supportive of small business and less supportive of the proposed "fixes" to the PPP being proposed for passage this week. Originally designed to keep people working by protecting their paychecks and continuation of benefits, the proposed industry-backed changes would make a mockery of that goal. The "tweaks" are actually a massive retreat on paycheck protection and employee retention, and a full-on redirection of federal aid meant for workers toward debt service to lenders and unjustified protections for investors. The PPP would become the IPP – Investor Protection Plan.

According to news accounts, the bill sponsored by Cong. Dean Phillips (D-MN) and Cong. Chip Roy (R-TX) would extend the period PPP recipients could spend the funds from 8 weeks to 24 weeks, and eliminate the SBA requirement that they use at least 75% of funds for payroll expenses, including benefits.

While the time extension by itself is not objectionable, the elimination of the 75% rule would turn a program intended to stabilize small businesses and encourage worker retention into a slush fund for giant hotel and restaurant franchisors, over-leveraged hotel REITs, the banks that loaded them up with debt then securitized it, and the sophisticated real estate investors who bought the commercial mortgage-backed securities.

Rather than fixing the inadequate job-retention incentives built into the PPP, the corporate-backed bill simply jettisons the job retention goal altogether. It moves us in exactly the wrong direction, by creating a **disincentive** for employers to retain or rehire workers, which increases the unemployment rate and exacerbates the strain on state Medicare Programs.

Instead of giving up on the job retention goal of the PPP, we implore you to stay focused on defeating the Trump-McConnell agenda of cutting unemployment benefits, gutting workplace safety standards, and most egregiously, eliminating any employer liability for unsafe conditions for workers and customers.

Ask yourself: what are we getting in return for giving up on job retention in the PPP? Answer: not much. American workers are being starved back to work while the system is once again tilted to those who stand the most to gain at the expense of the rest of us. They get what they want – whether stripping out support for Planned Parenthood or paying dividends to Wall Street investors. We get zero.

D. Taylor, President
General Officers: Gwen Mills, Secretary-Treasurer • Peter Ward, Recording Secretary
Nia Winston, General Vice President • Enrique L. Fernández, General Vice President for Immigration, Civil Rights and Diversity

We cannot sit idly by as Trump and the GOP use this crisis as an excuse to strip away every gain the labor movement and progressives have fought for and won over many years of struggle. Rolling back the 75% provision in the PPP would be a major setback in the battle we are fighting to protect American workers, their families, their livelihoods and their very health. It would also be a terrible precedent that would frustrate our efforts to ensure that the trillions of dollars in federal rescue aid under the control of the Federal Reserve Board are directed towards stabilizing businesses, and alleviating unemployment, housing insecurity and food insecurity – and do not become just another round of handouts to banks and big business. Now is not the time to fold; now is the time to fight. We respectfully ask you to hold firm for job retention as a goal in the PPP as well as any other federal coronavirus rescue programs. We will fight alongside you to do so.

Respectfully,



D. Taylor
President, UNITE HERE

Stuart Appelbaum, President, Retail, Wholesale and Department Store Union (UFCW)
James T. Callahan, General President, International Union of Operating Engineers
Ernest A. Logan, President, American Federation of School Administrators
Robert Martinez, Jr. International President, International Association of Machinists and Aerospace Workers
Sara Nelson, International President, Association of Flight Attendants (CWA)
Marc Perrone, International President, United Food and Commercial Workers
Fred Redmond, Vice President, United Steelworkers
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Paul Shearon, International President, International Federation of Professional and Technical Engineers
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Baldemar Velasquez, President, Farm Labor Organizing Committee