## CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA

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Dear Mr. President and the Members of the United States Congress:

The decisions you make in the coming days regarding how to move forward on the American Rescue Plan will not only determine the fate of COVID-19 relief and path we take in defeating the pandemic, but also the chances that Washington will be able to reach agreement on long-overdue priorities including infrastructure, immigration reform, and climate change. Resorting to reconciliation to pass the American Rescue Plan may obviate the need for bipartisan negotiations, but it is unlikely to speed up relief given the time it will take to pass a budget resolution and a reconciliation bill. Further, such an approach will almost certainly make it much more difficult to reach bipartisan agreement on other policy priorities.

We commend you, Mr. President, for meeting with the ten Senators who have outlined a proposal as a possible basis for negotiations. The Chamber urges Republicans and Democrats to engage in meaningful negotiations to find a compromise that can enjoy broad bipartisan support. Thankfully, between the proposal released by the Biden Administration and the outline put forward by the group of Senate Republicans, it is apparent that sufficient common ground exists for agreement.

Since the beginning of the pandemic, the Chamber has urged a policy approach that is timely, targeted, and temporary. Legislative proposals should be focused on confronting the current crisis and should not be used as an opportunity to enact long-sought permanent policy changes, like raising the minimum wage. Likewise, the federal government's deficit should not be used as an excuse for inaction, but as another reason to require that relief measures are targeted and temporary. The \$1 trillion annual deficits the federal government was running prior to the pandemic are the real cause for concern and continue to deserve policymakers' post-pandemic attention.

From the Chamber's perspective, at this moment and considering the pandemic package enacted at the end of December, the two most critical aspects of a relief package are the efforts to turbocharge vaccinations and swiftly and safely reopen the nation's schools. Given the expected pace of vaccinations and the recovery, it is also prudent for Congress and the administration to extend various relief provisions scheduled to expire next month.

With respect to the policy areas that have been identified by the group of ten Senators and put forward by the Administration as part of the American Rescue Plan, we are pleased to offer some specific thoughts.

<u>Vaccination Program:</u> We will not be able to fully reopen our economy until we beat COVID-19 and widespread vaccinations are the key to accomplishing that goal. We must remove all possible barriers to accelerating vaccinations and at the same time continue efforts to combat the spread of COVID-19. The Chamber supports funding to:

- Support community and mobile vaccination centers,
- expand the number of public health workers,
- utilize the National Guard in support of vaccinations,
- ensure vaccinations reach underserved communities,
- expand rapid testing capacity,
- deploy "strike teams" to long-term care facilities,
- enhance surveillance programs, specifically with regard to emerging strains of COVID-19,
- acquire and expand the manufacturing of pandemic supplies, and
- invest in treatments for COVID-19.

K-12 Education: The shuttering of classrooms to in-person education has significant near-term and long-term costs. Near-term, many parents are unable to work themselves or have had to make significant sacrifices to support their children's online learning. We know that many students are falling behind academically as a result of the lack of in-person instruction. This could have long-term impact on their learning. It is critical that we safely reopen schools as soon as possible. At the end of last year, 11 states, the District of Columbia, and Puerto Rico had full or partial state-wide closures in effect. The Chamber supports funding for testing, to implement social distancing, and otherwise safely reopen K-12 schools. However, it is critical that these funds actually be used to reopen schools to in-person learning. In many school districts, teachers' unions have opposed efforts to reopen schools. It is important that school district leaders and teachers' unions commit to the President's goal of reopening schools to in-person education within the next 100 days.

<u>Childcare:</u> For the millions of working parents with young children, it is critical that childcare programs be safely reopened. The Chamber supports additional funding to help reopen and support childcare providers, many of whom are small businesses themselves, and who are working hard to keep their staff and children in their care safe.

Unemployment Benefits: The Administration proposes to extend unemployment benefits, through September 2021 and increase the weekly supplemental benefit from \$300 to \$400. It is almost certain that we will need to extend pandemic unemployment programs beyond their current March 14 expiration. Congress should take this opportunity to incorporate automatic triggers to sunset programs based on a state's economic and employment conditions. Congress should also replace the \$300 flat weekly supplement with an individually calculated supplement of up to \$300 that ensures that no individual receives more on unemployment than they were paid while working. Based on the Chamber's analysis, the \$300 supplement results in approximately 25% of unemployed individuals receiving more in unemployment benefits than they earned working. Increasing the flat weekly benefit to \$400 results in approximately 40% of

unemployed individuals receiving more in in benefits than they earned working. This distorts the labor market and deters individuals from returning to work.

<u>Paid Leave:</u> The Chamber supported the funded paid leave mandate enacted as part of the Families First Coronavirus Relief Act (FFCRA) as an important temporary measure to help employees and small businesses navigate the uncertainty created by COVID-19 and reduce transmission of the virus. We also supported the extension of the tax credit for small businesses included in the legislation enacted in December.

The Administration has proposed to expand the mandate in numerous ways beyond the bipartisan agreements previously reached by Congress. These changes would impose unfunded mandates on many mid-size employers and put some employers with fewer than 50 employees at risk of permanent closure.

The Chamber urges Congress and the Administration to stick with the framework of the FFCRA, but to include the Administration's proposal to expand the reasons for taking leave to include taking time to get the vaccine. This is a sensible update to FFCRA that will encourage greater vaccinations and potentially remove a barrier to some individuals getting vaccinated.

Small Business Support: The Chamber is appreciative of the support Congress provided to small business in December through the new Paycheck Protection Program (PPP) Second Draw Loans, the expanded Employee Retention Tax Credits, and the new Shuttered Live Venue Grant Program. Thousands of struggling small businesses are accessing these programs right now. Given the time required to roll-out new programs and the continued economic harm caused by the pandemic, we urge Congress to focus on ensuring existing programs have sufficient resources to meet demand while also extending the March 31 sunset of the PPP program.

<u>Access to Healthcare and COBRA:</u> The Chamber supports the Administration's call to provide COBRA subsidies for those who have lost their employer-sponsored insurance as well as the proposals in Congress to continue to provide relief for healthcare providers.

Additional Stimulus Checks: While the pandemic induced recession has created near unprecedented levels of hardship, the impact has not been universal. Thankfully, millions of Americans have seen no disruption in their income. The Census Bureau Pulse <u>survey</u> indicates that while a majority of households with less than \$50,000 in income have experienced a loss of employment income, a majority of household with more than \$50,000 in income – including those between \$50,000 and \$150,000 – have not experienced any loss in earned income. Congress should consider targeting any additional stimulus checks based on income, loss of employment, or similar criteria.

<u>Liability Protections and Other Matters:</u> There are, of course, other pressing priorities that need to be addressed. For example, businesses, schools, and non-profit organizations need temporary and appropriately targeted protections from unfair COVID-19 related lawsuits. Especially as businesses and schools try to reopen and heed the President's call for face coverings and other protective steps, these and other entities should not have to worry that their actions will invite costly and unnecessary litigation.

At the end of last year, after months of unnecessary gridlock, a bipartisan group of Representatives and Senators came together and found ways to bridge their differences and provide much needed support for millions of American families and small businesses. They demonstrated what can be accomplished when lawmakers work in a bipartisan fashion. Their success was America's success.

We urge the Administration and Republicans and Democrats in Congress to build on that success by moving forward with a bipartisan COVID-19 relief package.

Sincerely,

Neil L. Bradley

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