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COMMITTEE ON
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COMMITTEE ON
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Congress of the United States
House of Representatives
Washington, DC 20515-2803

April 7, 2020

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd St, SW
Washington, DC 20416

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave, NW
Washington, DC 20220

Dear Administrator Carranza & Secretary Mnuchin,

I am writing about the recently established Paycheck Protection Program, and the interim regulatory guidelines issued by the Small Business Administration. Those guidelines currently exclude many small businesses who derive a portion of their revenues from gaming from eligibility. This is patently contrary to Congressional intent. I urge you to update these guidelines to ensure that small businesses in Nevada that have been hit hard by this crisis and derive revenue from legal gaming are not unfairly excluded from economic relief.

As you are aware, the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act greatly expanded SBA programs to help small businesses across the country survive this unprecedented economic crisis. Southern Nevada's travel and tourism economy, which accounts for nearly 40% of the region's jobs, has been particularly hard hit. With restaurants, bars, entertainment venues, and casinos closed, the economic engine of the nation's 28th largest metropolitan area has ground to a halt. In the week ending March 21, Nevada had a staggering 92,238 initial claims for unemployment, a 1300% increase over the previous week. Most of the unemployed are service industry workers, like restaurant servers and bartenders, who directly and indirectly rely on gaming for their livelihoods.

In Nevada, gaming is not confined to the multi-billion-dollar mega resorts on the Las Vegas Strip. Local restaurants and bars often rely on the revenue from a handful of video poker machines to make their businesses keep functioning. Indeed, gaming is an almost mandatory offering at independent bars and restaurants in my district. Today, these businesses have been completely idled, and their workers have been ordered to stay home. Every day that passes without relief results in further harm to those businesses' employees and their families. For the SBA to take the position that these small businesses are not eligible for needed aid because of their involvement in the gaming industry belies the economic realities of their location and will doom countless small businesses in Nevada to bankruptcy.

There is no statutory mandate for excluding gaming small businesses from receiving SBA assistance. That said, the interim regulatory guidelines that SBA issued used out-of-date language that excludes small businesses with gaming revenue from SBA loan eligibility. The Paycheck Protection Program was designed to help keep workers on payroll and return to work quickly after we have successfully overcome this pandemic. Unfortunately, the regulatory guidance as currently written fails to do so for significant portions of southern Nevada's small business community.

I urge you to update the Paycheck Protection Program's regulatory guidelines to reflect Congressional intent and ensure that gaming small businesses in Nevada and across the country are not forced out of business due to the COVID-19 pandemic. Thank you for your consideration, and do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Susie Lee". The signature is written in a cursive, flowing style.

Susie Lee
Member of Congress