

JIM COSTA

16TH DISTRICT, CALIFORNIA
WEB PAGE: www.costa.house.gov

COMMITTEE ON AGRICULTURE
CHAIR – SUBCOMMITTEE ON LIVESTOCK AND
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WILDLIFE



Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON EUROPE, EURASIA, ENERGY
AND THE ENVIRONMENT

**TRANSATLANTIC LEGISLATORS'
DIALOGUE**
CHAIR

NATO PARLIAMENTARY ASSEMBLY
MEMBER

April 22, 2020

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street SW
Washington, D.C. 20416

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20510

Dear Administrator Carranza and Secretary Mnuchin,

I write to urge immediate and decisive action to ensure equitable administration of Small Business Administration programs like the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) and Grant program that provide critical relief to businesses suffering economic hardship caused by this pandemic.

Congress designed the small business provisions of the CARES Act to ensure small businesses could access the financial resources needed to survive business reductions and closures caused by this health crisis without dismissing employees. However, during the implementation process, regulatory guidelines have left out a large swathe of legitimate businesses who would otherwise be eligible for SBA assistance. I am primarily concerned with the exclusion of the cardroom industry and other small legal gaming businesses who are responsible for creating jobs, generating tax revenue, and driving economic growth.

For example, in California, the cardroom industry accounts for \$5.6 billion in statewide economic impact, 32,000 jobs, and \$500 million in annual state and local tax revenue. Over 18,000 cardrooms across the state employ relatively unskilled workers, many of whom come from disadvantaged areas, that depend on these jobs to support their families. Additionally, cities rely on the tax revenue to support local economies and administer essential community services.

Despite SBA's issuance of updated guidance on the Interim Final Rule as it relates to 13 CFR 120.110(g), a large share of these businesses were still left behind. I understand such exclusions have been longstanding practices of the SBA, but in light of the current crisis, we urge you to reconsider.

Therefore, I respectfully request that you remove this exclusionary language from the Interim Final Rule to expand eligibility for PPP and EIDL to this important industry. Like many other legitimate small businesses, cardrooms and small legal gaming establishments are desperately in need of financial relief to survive this crisis.

I understand that this pandemic has presented your agencies with unprecedented challenges and we in Congress are committed to working with the Administration help the American people through this difficult time. I am hopeful the Administration will act so that Congress does not have to pursue a legislative change.

Thank you for your consideration of this request. I look forward to continuing to work with you to ensure that the American people are receive the support they need.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Costa". The signature is stylized and written in a cursive-like font.

JIM COSTA
Member of Congress