



May 28, 2020

Dear Representative:

On behalf of the nation's foodservice distributors, I am writing to urge you to support the Paycheck Protection Program Flexibility Act when it comes before the House of Representatives.

Foodservice distributors deliver to professional kitchens across America by supplying food and related products to restaurants, colleges and universities, hospitals and care facilities, hotels and resorts, and other foodservice operations. Prior to the Covid-19 crisis, foodservice distribution was a \$303 billion industry, operating 15,000 distribution centers and employing 350,000 Americans in all 50 states and the District of Columbia.

The shutdowns that have been enacted in states and localities across the country have resulted in significant revenue losses for distributors and their customers. The National Restaurant Association has estimated that the restaurant industry will lose \$80 billion in sales through the end of this month. For distributors this means more than \$24 billion in lost revenue.

The PPP program has provided vitally needed liquidity both to distributors and their customers. It has served as a bridge to help companies survive through the shutdown. While it has provided significant help at a critical time, a number of key changes are needed in order for it to be more effective and work for more companies.

The PPP Flexibility Act would make a number of significant changes to the program. It would extend the timeframe for loan forgiveness from 8 to 24 weeks. When the program was enacted, it was anticipated that loans would be fully forgivable. Yet as the economy only slowly comes back, companies will need this extra time to return to normal operations and bring back their workforce. The bill also alters the Treasury Department requirement that 75% of funds go to payroll, reducing the number to 60%. This will allow companies greater flexibility to put the funding to the best use for each business. The bill would also extend the maturity rate on any unforgiven portion of the loans to 5 years.

These are badly-needed changes that will enable the Paycheck Protection Program to help many more businesses survive this crisis. Please support this important legislation.

Sincerely,

A handwritten signature in black ink that reads "Mark S. Allen".

Mark S. Allen
President and CEO