

Urge Congress to Support COVID-19 Recovery Fund Efforts



The Recovery Fund is ICSC's Top Priority

While Congress has taken critical first steps to protect the public and assist the economy, the duration and scope of government-directed stay-at-home orders and the resulting economic cessation necessitates additional liquidity for impaired businesses to avoid a historic and systemic economic crisis. The COVID-19 Recovery Fund would serve as a federal business interruption grant program backstopped and administered by the U.S. Treasury to assist impacted businesses and provide capital to create rapid economic activity.

America's Recovery Fund Coalition

To support this effort, ICSC has announced the formation of **America's Recovery Fund Coalition**, a group of over **100 trade associations and organizations** spanning many aspects of business. The coalition represents 58 million workers, or 45% of the U.S. workforce.

Why is additional federal support necessary?

The CARES Act attempted to address several immediate problems associated with the response to the COVID-19 public health crisis. The primary source of liquidity in the CARES Act, the Paycheck Protection Program (PPP), provides a one-time short-duration loan with loan forgiveness for 8 weeks of employee retention. While this program is well-intentioned to keep employees on the payroll, the restrictions around PPP and quick depletion of funds due to extraordinary demand limit its usefulness. Even as funds have been released, mandated closures are largely still in effect. Further, there are significant threshold issues related to eligibility and operational expenses beyond payroll that are required to maintain or reopen a business, including rent, debt obligations, inventory and state and local tax obligations.

How would the Recovery Fund work?

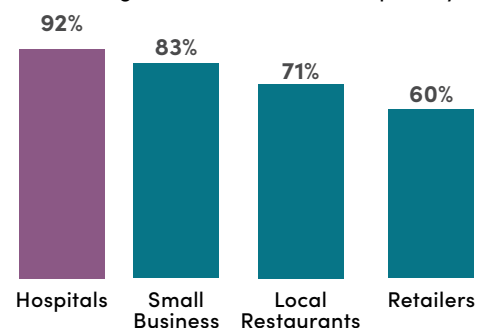
An eligible workplace would apply online and provide information regarding lost revenue and defined essential operating expenses. The information would be verified by the IRS or third-party contractors and the U.S. Treasury would issue a check for an interim amount. Additional funds could be considered depending on the level of need. The funds are required to be used for specific purposes, including retaining and rehiring staff, rent, certain debt obligations and state and local taxes. Significant anti-abuse and audit provisions are also authorized.

ICSC's position

Representing the broad landscape of consumer-facing businesses, ICSC strongly supports the creation of a COVID-19 Recovery Fund to empower the resilience of American enterprise. The economic damage from mandated shutdowns is done, but it does not have to be permanent or long-term. The answer to this problem is not more debt, but the right investment by the federal government to help impacted businesses reopen, rehire and serve our communities again.

Americans agree segments of our industry are critical

Percentage who rate sector as a priority



Source: CNBC AAES First Quarter Survey, April 1-4, 2020

Recovery Fund: Key Points

- For businesses to reopen, there must be additional cash flow to retain and rehire employees, to pay rent, utilities and some debt obligations.
- The Recovery Fund would be available to all businesses that have experienced significant impairment related to the immediate crisis.
- This proposal complements the previously enacted COVID-19 loan programs but removes the middle-man and provides sufficient liquidity for other necessary operating expenses.
- Significant anti-abuse measures are included with a Special Administrator and Oversight Board to ensure against fraud while providing for expeditious processing of funds.



For more information, contact ICSC Global Public Policy at gpp@icsc.com.