

Main Street Lending Program Call for Reform

October 28, 2020

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

The Honorable Jerome Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue N.W.
Washington, D.C. 20551

Dear Secretary Mnuchin and Chairman Powell:

According to the U.S. Travel Association, an estimated 16 million jobs are supported by the travel industry, and the travel-dependent leisure and hospitality sector is the largest small business employer in the U.S. We are writing on behalf of nearly 100 companies and small businesses in these industries. Together, we are responsible for the livelihoods of more than 40,000 workers from all across the U.S.

We are asking lawmakers to join us in urging the Treasury, the Federal Reserve and other regulators to fix the Main Street Lending Program so it can serve its intended purpose of helping companies impacted by the COVID-19 pandemic. The unfortunate fact is that the Main Street Lending Program is failing due to inappropriate regulatory implementation.

The latest report on the program found that it has only distributed \$2 billion of its \$250 billion (and possibly up to \$600 billion) in lending authority, and none of the nation's largest banks have made a single Main Street loan. We believe a technical fix to the program's underwriting would help not only our industries but thousands of American businesses — and their employees — to see the other side of the pandemic on sound financial footing.

An emergency loan program that bases its risk accounting on the time-limited restrictions created by the pandemic will inevitably fail because it assumes that the artificial limitations on businesses will continue indefinitely. Our businesses have promising, post-pandemic futures. The original point of the Main Street Lending Program was to provide bridge capital for otherwise healthy companies to get through the temporarily limited operations imposed on us by public health authorities and other governmental agencies as a result of a global pandemic. As it currently stands, the Main Street Lending Program is failing to achieve that very point.

It is clear that the standards for accessing some of the \$250 billion for Main Street's capital were written for the last financial crisis, when companies were crumbling, and not for the current one, when many of us would be doing very well if not for the pandemic.

If updated to meet the needs of our times, the Main Street Lending Program could save thousands of businesses and millions of American jobs in the face of a pandemic. But if it remains as-is, the Main Street Lending Program will go down as an example of a strong idea that failed American businesses because it did not adapt to a fast-changing world event.

Sincerely,

Cory Lawrence
Off the Beaten Path

Tom Hale
Backroads

Terri Watson
NOLS (National Outdoor
Leadership School)

Sven-Olof Lindblad
Lindblad Expeditions

Roger Block
Travel Leaders Network

John Groundwater
Passenger Vessel Association

John Waggoner
American Queen Steamboat
Company
Victory Cruise Lines

Matthew Upchurch
Virtuoso

Dan Blanchard
UnCruise Adventures
InnerSea Discoveries Alaska Inc.

Shannon Stowell
Adventure Travel Trade
Association

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Alaska Travel Industry
Association

Andy Levine
DuVine Cycling + Adventure Co.

Henry Lewis
Vantage Deluxe World Travel

Terry Dale
U.S. Tour Operators Association

Tom Lee
MT Sobek

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Ryder Walker Alpine Adventures
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Jennifer Wilson-Buttigieg
Valerie Wilson Travel

Eddie Frank
Tusker Trail

Kirk Hoessle
Alaska Wildland Adventures

Dave Allen
Alaskan Dream Cruises
Allen Marine Tours

Hunter McIntosh
The Boat Company

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Laurie McLaughlin
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Jodi Greenblatt
The Wayfarers Walking Vacations

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ATJ (Asia Transpacific Journeys)

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cc:

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Hon. Larry Kudlow, White House National Economic Council Director

Speaker of the House Nancy Pelosi

House Minority Leader Kevin McCarthy

Senate Majority Leader Mitch McConnell

Senate Minority Leader Chuck Schumer