



April 7, 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. 20220

Dear Administrator Carranza and Secretary Mnuchin,

The undersigned organizations, representing millions of taxpayers and consumers, applaud the Trump Administration's steadfast efforts to eliminate unnecessary regulations that kill jobs, stifle investment, and slow economic growth.

As our nation struggles with the devastating impact of COVID-19, we urge your support for undoing antiquated rules at the Small Business Administration (SBA) that will hamper access to capital for thousands of job-creating small businesses.

The fact is, businesses have been impacted by COVID-19 irrespective of their ownership structure. Failing to protect a subset of small businesses for political reasons could threaten tens of thousands of jobs.

Specifically, with regard to the SBA Paycheck Protection Program (PPP) established by the CARES Act, we urge to use your authority to waive the SBA's "affiliation" rules that, without relief, will act as a direct regulatory barrier to job retention and creation at some of the most innovative and exciting companies in our economy.

Unlike the Interim Final Rule recently proposed by the SBA, we believe that affiliation rules should be waived for all businesses in the SBA's final rule in order to ensure a level playing field. We also urge Congress to permanently reform SBA's affiliation rules in the next piece of legislation related to COVID-19.

More generally, we urge you to reject calls to discriminate against investor-backed businesses through the PPP and the Exchange Stabilization Fund (ESF). Make no mistake: some are using the crisis of COVID-19 to punish investors and private businesses that they do not like for political purposes.

Not only would arbitrary limitations on relief from the PPP and ESF inject politics into the implementation of the bipartisan CARES Act, but they could result in thousands of businesses laying off workers or closing their doors altogether.

As you work to implement the PPP and ESF, we urge you to eliminate unnecessary government barriers to prosperity and reject efforts to harm investor-backed businesses and the millions of Americans they employ.

Sincerely,

Grover Norquist
President, Americans for Tax Reform

Brent Wm. Gardner
Chief Government Affairs Officer, Americans for Prosperity

Ryan Ellis
President, Center for a Free Economy

Andrew F. Quinlan
President, Center for Freedom and Prosperity

David McIntosh
President, Club for Growth

Thomas Schatz
President, Citizens Against Government Waste

Jessica Anderson
Vice President, Heritage Action for America

Pete Sepp
President, National Taxpayers Union

James L. Martin
Founder/Chairman, 60 Plus Association

Saulius "Saul" Anuzis
President, 60 Plus Association

David Williams
President, Taxpayers Protection Alliance

CC:

Senator Majority Leader McConnell
Senator Minority Leader Schumer
Speaker Nancy Pelosi
Minority Leader McCarthy