

Congress of the United States
Washington, DC 20515

April 10, 2020

The Honorable Nancy Pelosi
Speaker of the House
House of Representatives
H-232, U.S. Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230, U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204, U.S. Capitol
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
S-220, U.S. Capitol
Washington, DC 20510

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, and Leader Schumer:

Thank you for your commitment to and diligence in moving the first three phases of bipartisan legislation to combat the COVID-19 pandemic. New Jersey, unfortunately, ranks second in Coronavirus deaths and positive cases, and support is critical to the health and economic survival of our residents.

As you well know, however, there's still more work to be done on many fronts—especially and including an increase in access to the Paycheck Protection Program (PPP) created by the *CARES Act*.

First, we must pass legislation to financially supplement the PPP and allow more businesses to access funds—demand has surpassed expectations and the Administration believes all appropriated funds will soon be committed.

Additionally, we respectfully request that, in the next anticipated bill, you expand access to the PPP for 501(c)(5) and 501(c)(6) organizations. These organizations are nonprofits that exist for the primary purpose of serving their members first. The organizations have very small, but effective and critical staff helping—workers and businesses—in our home state of New Jersey which has yet to hit even the worst of the pandemic.

According to the Bureau of Labor Statistics, nearly 16 percent of New Jersey's employed population belongs to a labor organization, such as NJ AFL-CIO, which are categorized as a 501(c)(5) organization by the Internal Revenue Code. The 501(c)5 organizations are immersed in helping the thousands of New Jersey residents, who have lost their jobs, navigate the new and very necessary federal benefit options of the Pandemic Unemployment program. These workers

also rely on the organization's staff to support and guide them as they face COVID-19 related concerns from workplace safety to health coverage, work interruptions and job recovery.

As a result of the non-essential workforce reduction mandated by the stay-at-home orders necessitated to combat the spread of coronavirus, members desperately need the support and guidance of the organizations but cannot pay their dues. As such the nonprofits, and the functions they serve are directly endangered by the prospect of no cashflow and ultimate layoffs.

Similarly 501(c)(6) organizations, commonly known as trade associations, are nonprofits with the primary role of aiding their members—business of all shapes and sizes—in navigating the regulatory environment, which has become crucial as our economic response to COVID-19 changes each day at the state and federal levels. The Paycheck Protection Program, for example, is a critically imperative federal initiative that so many New Jersey businesses must tap into in order to survive. But enrollment and access have not been as easy as hoped and our small businesses have turned to their member organizations for much needed help.

Similar to the predicament of labor groups, the trade associations are unable to keep their own employees on the payroll because of the sudden reduction in membership dues. How can they be expected to help their members do business if they also have no staff? We must expand the Paycheck Protection Program to 501(c)(6) organizations.

As our nation continues to combat the Coronavirus on every front, we strongly urge you to quickly financially supplement the PPP and expand access to it for 501(c)(5) and 501(c)(6) organizations. Thank you for your full and fair consideration of these requests.

Sincerely,



CHRISTOPHER H. SMITH
Member of Congress



DONALD NORCROSS
Member of Congress



ROBERT MENENDEZ
United States Senator



CORY BOOKER
United States Senator



JOSH GOTTHEIMER
Member of Congress



TOM MALINOWSKI
Member of Congress



FRANK PALLONE, JR
Member of Congress



MIKIE SHERRILL
Member of Congress



ANDY KIM
Member of Congress



BILL PASCRELL, JR.
Member of Congress



BONNIE WATSON COLEMAN
Member of Congress



ALBIO SIRES
Member of Congress



JEFFERSON VAN DREW
Member of Congress



DONALD M. PAYNE, JR.
Member of Congress