



The Honorable Marco Rubio
Chairman, Committee on Small Business and Entrepreneurship
United States Senate
Washington, DC 20510

Dear Chairman Rubio:

On behalf of the Premium Cigar Association (PCA) representing over 3,000 retail tobacconists, 30,000 employees, and over 250 manufacturers, we write to thank you for your efforts in crafting the critical Paycheck Protection Program (PPP) that is aiding small businesses, including many of our retailers, during this unprecedented and challenging time, and for ensuring that the program remains funded so that these dollars can continue to flow to those small businesses that need it the most.

We understand that Congress is weighing additional changes to the program in the next COVID-19 recovery and relief package, and we wanted to weigh in as an association on some of our key priorities.

Increased Funding: We applaud Congress's bipartisan efforts to provide an additional \$50 billion in new funding to the PPP. However, given the overwhelming demand for the program, many of our retailers have still been unable to access funds, and we expect that these additional funds will be depleted very soon. We urge Congress to increase funding to help retailers of all sizes retain employees and remain solvent.

Allow Businesses More Time to Fully Spend the Funds: The current program requires PPP recipients to expend funds within eight weeks, however the economic impact will extend well into the intermediate and long term. We ask that Congress provide greater flexibility to small businesses by allowing the loan to be forgivable at a minimum of six months after a business fully reopens and by allowing a larger allocation of the money to be used for rent or other expenses.

Greater Flexibility in Use of Funds: Our retailers average less than 10 full time employees. For these shops, rent is an equally substantial monthly expenditure and should be included along with the 75% payroll threshold for loan forgiveness. Allowing small businesses to include rent along with payroll will enable many to take full advantage of PPP program and save their businesses.

Provide Additional Allowable Uses of Funds: Additionally, as we move from relief to recovery, our retailers are having to rethink the way they adapt their stores to accommodate social distancing guidelines. This includes new displays, providing PPE, sanitizer, and enhanced cleaning supplies to employees. We ask that Congress consider allowing a portion of a small business's PPP funds to be used



toward meeting local state and federal reopening guidance and the safety of our employees and customers.

Additionally, there are many regular fixed costs that businesses are required to pay in order to operate. These should also be included as allowable expenditures:

- Taxes, duties, fees required for importation
- Local business taxes and fees required for operating a business
- Costs for distribution licenses and fees required to carry specific products

Again, we thank you for your hard work to provide a lifeline for small businesses as they weather the dire economic consequences of the Coronavirus and we hope our organization and members can fully benefit from the economic recovery through the support of programs such as the Paycheck Protection Program. Please feel free to reach out to our staff if you have any questions or need additional information.

Sincerely,

Scott Pearce

A handwritten signature in black ink, appearing to read "Scott Pearce", written over a light blue horizontal line.

Executive Director
Premium Cigar Association

John Anderson

A handwritten signature in black ink, appearing to read "John Anderson", written over a light blue horizontal line.

President
Premium Cigar Association