

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

NEIL L. BRADLEY
EXECUTIVE VICE PRESIDENT &
CHIEF POLICY OFFICER

1615 H STREET, NW
WASHINGTON, DC 20062
(202) 463-5310

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TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

It is critical that Congress pass additional pandemic relief to turbo-charge vaccinations and to support families, employers, and communities until we achieve immunity levels that allow for a safe and full reopening of the economy. It is also essential that such relief be targeted, timely, and temporary.

The economic impact from the COVID-19 pandemic has been incredibly uneven. Some sectors are thriving, such as those where work can be done remotely or that have enabled remote work. Employees and employers in other sectors, including travel and tourism, events, and restaurants, continue to suffer and need additional aid. Such a k-shaped recovery is also manifesting itself in the financial health of state and local governments, which varies greatly based on local economies and sources of revenue.

Failing to take these differences into account in crafting a pandemic relief bill risks accumulating unnecessary debt and undermines public confidence. In addition, failing to appropriately target relief in the bill wastes resources that could be used to support other priorities such as infrastructure and job reskilling.

There are many commendable provisions in the American Rescue Plan (ARP), especially with respect to supporting vaccinations, public health, and hard-hit sectors including restaurants and transportation. Other provisions of the ARP, while addressing critical areas, are not well targeted and would benefit from revision. There is also one particularly noteworthy provision, the increase in the minimum wage to \$15, that has no place in a pandemic relief package and should be removed immediately.

Too much of the debate to date around the ARP has been about the overall size of the package and the differences between proposals by Republicans and Democrats. On core elements of getting urgent aid to people, families, and businesses that need it most, there is more in common among Members of Congress than there are disagreements. Rather than letting the size of the package drive the policy, lawmakers should get the policy right and let that determine the overall cost.

The previous five pandemic relief bills have all passed with large bipartisan majorities. The blunt, divisive tool of reconciliation does not encourage genuine bipartisan cooperation, nor does it set the tone for working together on other legislative priorities, such as infrastructure, immigration reform, and climate change.

The Chamber encourages Congress and the administration to focus on potential compromises in the following key areas that represent the largest areas of spending in the ARP:

School Funding: There is wide agreement that schools should reopen to in-person learning. There is disagreement about whether the additional resources provided in the ARP are necessary to remove barriers to reopening. **Congress should require that other than the money set aside to address learning loss, funds can only be used for expenses directly**

related to reopening schools or measures necessary to combat the spread of COVID-19 while conducting in-person learning. States and localities will still control reopening, lack of funds will not be barrier, but lawmakers can also be assured that funds won't be used for other purposes.

State and Local Aid: The data is clear, there is wide variation in the revenue loss resulting from COVID; and the makeup of local economies and revenue structures appears to be the driving factor. Failing to provide aid to distressed states and localities risks compounding the economic downturn, but assistance must be targeted. **Congress should limit funding to states and municipalities that have experienced a real reduction in revenue and limit aid to a fixed percent of the revenue reduction.**

Unemployment Assistance: There is broad agreement that unemployment assistance need to be extended beyond the March 14 expiration, but disagreement centers on the length of the extension and the amount of the weekly supplemental benefit. **Congress should link the extension of unemployment benefits to the economic condition in each state using automatic triggers and link the weekly supplemental benefit to an individual's prior earnings up to a cap.** Such an approach would ensure that unemployment benefits are targeted and avoid unnecessary benefit cliffs.

Stimulus Payments: The Census Bureau Pulse [Survey](#) indicates that while a majority of households with less than \$50,000 in income have experienced a loss of employment income, a majority of households with more than \$50,000 in income – including those between \$50,000 and \$150,000 – have not experienced any loss in earned income. As an alternative to the \$1,400 included in the ARP, some Republicans have proposed a \$1,000 payment with lower income thresholds. **Congress should provide the larger \$1,400 benefit to those with lower incomes – perhaps below \$50,000 (\$100,000 joint) – and the \$1,000 benefit for those up to the current cutoff of \$75,000 (\$150,000 joint).**

Revisions along these lines should attract the type of broad bipartisan support that every previously enacted COVID-19 relief bill has enjoyed. It would also demonstrate that Republicans and Democrats can forge the type of enduring compromises that will be essential when tackling other critical issues, especially in a narrowly divided Senate and House of Representatives.

The Chamber also continues to urge Congress to act on protections for businesses, schools, and non-profit organizations from unfair COVID-19 related lawsuits. Such protections are especially important as businesses and schools try to reopen and heed the President's call for face coverings and other protective steps -- entities should not have to worry that their actions will invite costly and unnecessary litigation.

There are reasonable compromises that would ensure that the American Rescue Plan is targeted, timely, and temporary and meets the needs of the American people. The Chamber is eager to support such a package and urges Congress to work in a bipartisan manner to advance the relief the American people need.

Sincerely,



Neil L. Bradley