

Congress of the United States
Washington, DC 20515

March 7th, 2022

The Honorable Isabella Casillas Guzman
Administrator
U.S. Small Business Administration
409 3rd St SW
Washington, D.C. 20416

Dear Administrator Guzman:

We appreciate the Small Business Administration (SBA)'s work over the past two years of the coronavirus (COVID-19) pandemic. The agency's work has allowed thousands of small businesses in our state to keep their doors open, keep employees on payroll, and keep our economy going.


As you are aware from our prior letter, in Washington State distillers are prohibited by state law from receiving more than thirty percent of their revenue through on-site sales. This directly contradicts the Restaurant Revitalization Fund (RRF) requirement that at least thirty-three percent of sales must be made on-site for program eligibility. Following this misalignment between state law and SBA criteria, the SBA recommended impacted WA distillers consider Economic Injury Disaster Loans (EIDL) as an alternative. This guidance has helped many Washington distillers stay afloat as they continue to feel the impacts of the pandemic.


However, many distillers are struggling now as the COVID-19 pandemic has continued for much longer than most businesses anticipated. It has impacted distillers in two main ways—revenues have decreased and expenses have increased. The recovery is uneven, with most distilleries in Washington State reporting 2021 revenue at between 50-75% of 2019's pre-pandemic revenue. Most have additionally seen expenses increase in the 35-60% range. Revenue is uneven month to month, and cash flow planning is increasingly difficult. Accordingly, restaurants and distilleries continue to be among the most impacted businesses and further relief is critical for their survival. This is not just about helping restaurants and distilleries weather this storm, but the American workers they employ, and the local economies they support. Small business is the backbone of our communities and they need more help.


Due to the Washington State distillers being left out of the RRF, they did not apply for the original program, instead applying for an EIDL. These EIDL loan recipients, and the nearly 4,000 Washington state restaurants that also received EIDL loans, would be greatly benefitted by a deferral of the repayment start date by an additional period beyond the original two-years. This would allow them to rebuild revenue to a more consistent level.


We appreciate your time and attention to this matter, and again applaud your work to help our nation's small businesses navigate the COVID-19 pandemic's many challenges. Please do not hesitate to contact our offices with any questions, and we look forward to your response.


Sincerely,


Maria Cantwell
United States Senator

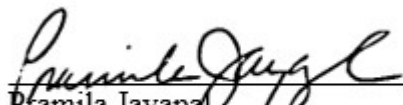

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