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Americans’ lives and communities have changed dramatically in recent weeks. As schools, businesses, shops and more temporarily close because of COVID-19, Americans are looking to the outdoors – while adhering to CDC guidelines – to provide a necessary reprieve from the intense mental and physical stress caused by this crisis and the vital efforts to combat it.

Outdoor recreation has been a major force in the American economy. Annually, it generates $778 billion in output, comprises 2.2 percent of the United States GDP and supports 5.2 million jobs – many of which are in rural communities. The outdoor industry has also been growing faster than the economy as a whole in every indicator and during a time period when there has been unprecedented economic growth. In order to recover from this economic recession, all efforts should be taken to support this sector that can help communities recover, grow the economy, create American jobs and continue to benefit Americans’ quality of life.

While the overall impact of the outdoor economy is massive, the industry is mostly comprised of small businesses that are vital to the health and economic well-being of their communities, many in rural areas. Thousands of these businesses are suffering and in danger of failing because of the COVID-19 outbreak and the ensuing efforts to mitigate the virus’ spread, including social distancing, travel restrictions, caps on group size, public land and retail closures, supply chain issues and more. Recreation businesses oftentimes rely on seasonal trips and travel and should be kicking off the busy spring and summer months, but instead are shuttered. They also rely on accessibility to recreation assets on our public lands and waters, adequate infrastructure, and the certainty of manufacturing, retail and trade, all of which have been interrupted. Here are some firsthand accounts from across the industry:

- One marine retailer said, “Our primary concern is cash flow. We will not be able to pay employees if we are forced to shut down. We will also be in a bind trying to cover operational expenses. With no income, we would not be able to pay bills.”
- National forest concessioners weighed in saying, “Federal land managers are trying to be flexible in their management of public land recreation concessioners – most of which are seasonal operators who may effectively lose an entire year of revenues – to address the current hardships they face but are telling concessioners ‘their hands are tied by existing laws and regulations’.”
- One rafting outfitter said, “We are an outfitter that does multi-day trips throughout the West and in Asia. Our season was just about to begin, and we have spent a large part of our annual budget to get equipment, insurance, and office staff in place to run our trips. In the past week we’ve had many guests cancel their spring plans and we’re now worried we could lose our entire income for the year which comes from running trips March through August.”
- One outdoor apparel manufacturer said, “The effects of resuming production will be extremely disruptive to logistics and transportation as consumer product companies work to get deliveries back on track. Air and ocean freight congestion will be a challenge as soon as things start to move again.”
- One campground operator said, “If we cannot open there is no income to pay our mortgage, our electricity, our insurance, our water. Not only that, but it will impact our ability to pay ourselves the small salary we make. Our salary supports us and our five children.”
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Despite all of their hardships, outdoor recreation companies across the country are stepping up to aid first responders, healthcare workers and law enforcement. The RV industry is providing mobile medical clinics, staging units, and temporary sleeping units for medical personnel and essential workers, many of whom are on the front lines of this pandemic. Campgrounds are providing temporary accommodations for traveling medical personnel and life-essential products and services, including food, water, laundry, fuel and more. Outdoor brands and gear manufacturers have converted their production lines to make masks, gowns and other PPE. Marine retailers are donating their supplies of N95 masks, and many marinas offer slips to law enforcement to ensure swift response on the water.

Outdoor Recreation Roundtable – the nation’s leading coalition of outdoor recreation trade associations, made up of 31 national trade associations serving more than 100,000 businesses – thanks Congress for swiftly passing the CARES Act and urges you to support resilient communities, economies and healthy people by reinvigorating this once-vibrant, and now struggling, industry in the coming months. Action is needed on smart policies and investments that will save the outdoor recreation economy so this sector can do what it does best – revitalize communities, create jobs, support healthy people, improve quality of life and provide access to amazing outdoor experiences for generations to come.

Recommendations: CARES Act Adjustments

Provide Flexibility for the way Seasonal Employers Calculate PPP Loan Forgiveness
When calculating loan forgiveness, the CARES Act requires seasonal employers to maintain the same number of employees during the 8-week loan period in 2020 as the employer had during the period March 1 – June 30, 2019. This method of calculating FTEs is problematic because winter seasonal businesses will have a significantly higher number of FTEs over the required period in 2019 (due to skiing activities in February-March) than they would have during the 8-week loan period in 2020 (because April-June is the off season). As a result, these winter businesses will be unable to hire enough workers during the 8-week loan period to receive forgiveness of the loan. Similarly, for businesses that focus on summer activities, it is impractical for them to calculate FTEs for loan forgiveness during an 8-week loan period that occurs in April – June (the time period when most PPP loans will originate) because the business is not fully operating yet. To account for these circumstances, Congress should provide additional flexibility for seasonal businesses by allowing them to:

- Calculate the number of FTEs that are required for forgiveness during an 8-week period in 2019 that is equivalent to the 8-week loan period in 2020. For example, if the loan is issued for May 1 – June 30, 2020, the number of FTEs required for forgiveness would be based upon the period May 1 – June 30, 2019, OR;
- Calculate the number of FTEs used for determining forgiveness during a future 8-week period in which their operation has resumed, but prior to December 31, 2020.

Provide Flexibility for the way Seasonal Employers Calculate PPP Loan Eligibility
The CARES Act requires seasonal businesses to calculate the PPP loan amount based upon the seasonal period of February 15 – June 30, 2019 or March 1 – June 30, 2019; or over the entire 2019 year. The seasonal periods are problematic for calculating the loan amount because they exclude the primary months in which most seasonal businesses operate (July-August or December-January). The annual period is problematic for calculating the loan amount because it includes many months in which the business is not operating at all. Both of
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these scenarios result in a significantly lower loan amount for a seasonal business, which translates into fewer dollars to bring employees back onto payroll.

- Congress should provide additional flexibility for seasonal employers by allowing them to calculate the amount of the PPP loan using a consecutive four-month period in 2019 that includes the two primary months in which the business operated.

Extension of Payroll Protection Plan (PPP) Cost Beyond 8 weeks
The PPP created by the CARES Act provides total loan forgiveness for up to eight weeks of average payroll and other costs if the business retains its employees and their salary levels.

- As more states issue new or expanded orders extending mandatory closures beyond the eight-week threshold, loan forgiveness for payroll costs should be extended up to an additional 8 weeks – or so long as a state’s emergency order remains in place beyond the 8 weeks – if employees are retained and salary levels mostly maintained.

Expansion of SBA Lending Authority to Meet Demand

- Given the magnitude of the impact this epidemic will have on small businesses and the ensuing demand for federal assistance to stay afloat, Congress needs to increase the Small Business Administration’s loan authority to ensure small businesses have access to resources SBA can provide.

Help Trade Recreation Associations Stay Afloat
We urge you to include financial assistance for associations, nonprofits and other tax-exempt organizations, as many have been – and will continue to be – impacted by COVID-19.

- Reconsider limitation that includes only Section 501(c)(3) within the definition of “nonprofit organization” for SBA loan eligibility. Broaden it to include 501(c)(6).
- Assist with event and major meeting cancellations. Hundreds of major meetings and events in the U.S. – dependent on in-person attendance at convention centers, hotels and other facilities – have been cancelled. These annual meetings and events contribute more than $446 billion to the U.S. GDP and directly support nearly six million jobs nationwide.

Waived Fees on Public Lands and Waters and Extensions of Contracts/Permits
Congress should enact statutory provisions that give the Secretary of the Interior and the Secretary of Agriculture flexibility in the administration of contracts, permits, and other authorizations for the provision of public recreational facilities and/or services on lands and waters managed by the National Park Service, the United States Fish and Wildlife Service, the Bureau of Land Management, the Bureau of Reclamation, and the U.S. Forest Service, in order to mitigate impacts due to COVID-19 to the maximum extent possible consistent with such agencies’ obligations to protect the resources and public health and safety. Such flexibility shall include, but not be limited to, fee deferrals and waivers, contract and permit extensions, operational flexibility, and other appropriate measures to mitigate such impacts. This flexibility should be implemented unless clearly not needed, and include:

- A waiver of fees for and/or extension of authorizations for operations in national parks and forests for a period of one to two years, pending an assessment of the impact on these businesses through year’s end. Fees can reach 35 percent of total revenues and limit operational cash flows. Forgiving fees will allow businesses to retain staff enabling a quick recovery when the coronavirus pandemic ends.
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- Extensions of contracts and permits will provide a way to recoup some losses and obtain credit from financial institutions at no cost to the government.
- Supplemental appropriations of $145 million to the land management agencies to mitigate the loss of permitting, lease and concessionaire fees.
- Investment in projects for partners to complete that provide infrastructure improvements on public lands, benefit businesses affected by COVID-19 and keep people employed in rural communities.

Waive Affiliation Rules for Outdoor Recreation Businesses
As marine, recreational vehicle (RV) and other outdoor recreation businesses have become more profitable in the years following the Great Recession, these U.S. industries have seen an increased pace of mergers and acquisitions across the board. While this trend is a telling sign of a healthy industry, it has also put a myriad of companies at a significant disadvantage in accessing federal relief assistance from the impacts from COVID-19. The current SBA 7(a) loan program regulations require applicants to aggregate all of their commonly controlled but separately organized business entities when determining the total number of employees for loan eligibility. As a result, a significant percentage of U.S. recreational boat and RV builders and dealers are not able to access sources of economic relief from SBA’s 7(a) loan program.

- Given that 85 percent of U.S. recreational boat manufacturers are small businesses and an estimated 97 percent of U.S. RV dealers are small businesses, it’s imperative that the next stimulus package waive affiliation rules for businesses in the marine and RV industry that would otherwise qualify under the SBA’s size standards for recreational boating and RV businesses.