

April 3, 2020

The Honorable Richard Neal
Chairman
Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

Dear Chairman Neal and Ranking Member Brady:

The Electronic Transactions Association (ETA) and its members applauds Congress for their recent actions to protect the American people from the spread of the coronavirus (COVID-19) and mitigate its direct and indirect economic effects. As Phase 3 of the COVID-19 response begins to roll out, ETA is considering other steps for responding to the pandemic - a Phase 4 package.

ETA has over 500 member companies, representing the complete payments technology ecosystem. Its membership includes financial institutions, payments processors, merchant acquirers and payments sales organizations, financial technology companies, technology companies, money services businesses, security companies, software developers and hundreds of other organizations in the business of powering digital commerce online and across the world.

Expand Approved Uses for Small Business Administration Loans

Under the CARES Act (H.R. 748), small and medium-sized businesses have access to \$350 billion in federally-guaranteed loans to help them survive the COVID-19 crisis. According to the legislation, small businesses are allowed to use this funding for payroll, health benefits, utilities, rent and mortgage payments. These loans will be critically important to helping many small and medium-sized restaurants weather the current crisis, and Congress is applauded for approving this funding so quickly.

However, this program does not yet help the hospitality industry address its most pressing technology gap – creating a successful on-line ordering and pick-up infrastructure. Without a functional on-line ordering system, small restaurants cannot generate revenue during existing quarantine conditions. For restaurants, on-line ordering and curbside payments systems have become essential services. Without them, restaurants will not be able to emerge from these crisis conditions and begin to re-hire staff.

To fill this gap, Congress should take the following action:

- Amend the legislation authorizing the Paycheck Protection Program to expand the allowable uses of covered small business loans. Loan recipients should be allowed to use the proceeds of loans to acquire “essential services” that include on-line order fulfillment and curbside mobile payments infrastructure.



Adopting this recommendation will help small and medium-sized hospitality businesses survive the current crisis, preserve jobs, and prepare for a future business environment that will see periodic pandemic business interruptions. On-line ordering and curbside mobile payments systems are available for even the smallest restaurants and businesses. They can be quickly implemented with a very low up-front investment, so they can be adopted in time to help small businesses cope with current conditions.

Sample Legislative Language:

Amend Title I, Sec. 1102 (F) of the CARES Act – (allowable uses of covered loans) as follows:

Insert (VIII): *(VIII) Software and hardware systems to enable remote ordering and pick-up capabilities, including on-line order systems, business process enablement systems, and curbside mobile payment systems.*

Thank you all for your leadership. We look forward to continuing to work with you to help our nation as we confront this challenge together. To learn more about what the payments industry is doing to help with COVID-19, ETA has created a resources page that can be access [here](#).

Sincerely,



Scott Talbott
Senior Vice President of Government Affairs
Electronic Transactions Association

