

TO: NAW Direct Members

FROM: NAW Government Relations Team

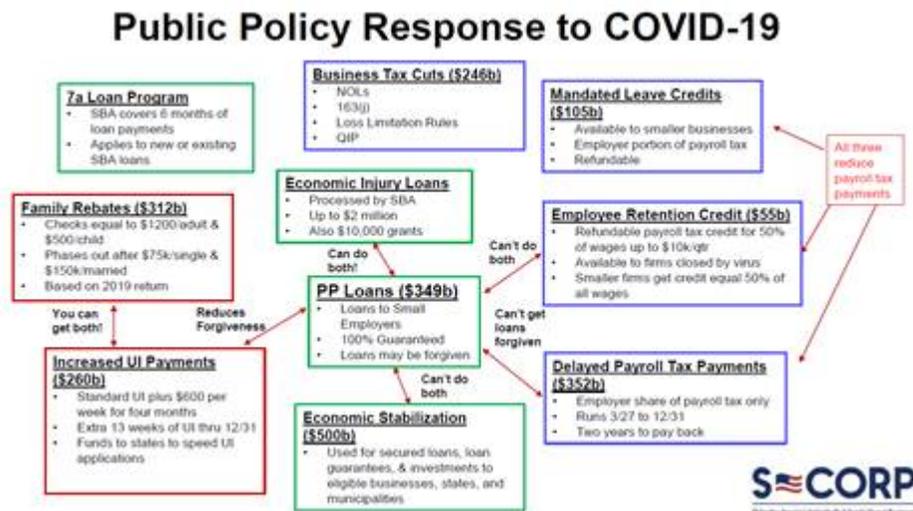
DATE: April 2, 2020

1. Update on CARES ACT's Government Programs

As you know the CARES Act has multiple government programs businesses may be able to take advantage of (we cover the mandated leave programs separately). Many of the business-specific component parts of the CARES Act interact, overlap or conflict with one another.

For example, in a number of instances, a business which takes advantage of one program is ineligible for another or may get reduced benefits from another.

A strong and long-time ally in Washington, the S-Corp Association, has put together a really useful slide showing the interaction between all these programs. We've pasted the slide below, and you can click here to view it full screen: <https://www.naw.org/wp-content/uploads/2020/04/Slide.pdf>.



If you are interested in doing a deeper dive into these program interactions, you can access an audio recording of the S-Corp member briefing here:

<https://s-corp.org/wp-content/uploads/2020/03/2020-03-30-14.mp3>

You can view the entire PowerPoint presentation here: <https://s-corp.org/wp-content/uploads/2020/04/Conference-Call-Responding-to-COVID-19-Final-II-1.pdf>.

2. Update on Small Business Paycheck Protection Program

Starting tomorrow, Friday, April 3, 2020, small businesses and sole proprietors can apply for a loan through the Paycheck Protection Program. The Department of the Treasury is advising small businesses “to apply as quickly as you can because there is a funding cap.”

Many banks (who are responsible for processing the loan applications) are sounding the alarm that the program won't be ready in time for tomorrow's launch. The lenders are worried that the program was enacted with an unrealistic timeline for implementation combined with a lack of guidelines and requirements from the Administration.

One major concern of lenders is the requirement that banks must verify that borrowers were in operation as of February 15th and confirm average monthly payroll costs. It is feared that this verification requirement could delay loan approvals by weeks. Banks are also worried that they could be held liable for the debt if a borrower provides misleading information in order to get a loan. This could cause banks to only be able to thoroughly vet small businesses who are already their customers, which would leave large numbers of potential borrowers to miss out on the \$350 billion in loans.

Because of the complications anticipated by lenders, many are fearful the program could be as disastrous as the failed roll out of the 2013 Obamacare enrollment. If that happens it would be devastating to the public's confidence and could have cascading repercussions as the country works to return to normalcy.

The application and information for borrowers are available here:

- Paycheck Protection Program Application Form - <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>
- Paycheck Protection Plan Information Sheet for Borrowers - <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>
- SBA's Paycheck Protection Program Overview - <https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp>

3. Update on CISA Guidance for Truck Drivers

As we have previously reported, the Cybersecurity and Infrastructure Security Agency (CISA) issued their guidance on essential workers, entitled *Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response*. Many states and localities have cited the CISA guidance as they define what is considered an essential worker.

The Federal Motor Carrier Safety Administration has also issued a guidance document for states and localities to consider regarding transportation between restricted areas. The document entitled *Statement on State and Local Shelter in Place and Other Restrictions on Movement Relating to COVID-19* points states and localities to the CISA guidance and specifically highlights truck drivers as being essential.

The document further highlights sections of the Centers for Disease Control and Prevention (CDC) guidance to truck drivers delivering supplies to New York City.

Click here to view the FMCSA document:

<https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/2020-04/FMCSA%20Statement%20on%20Local%20Restrictions.pdf>

4. NAW Webinar on Economic Outlook

NAW is partnering with NAW senior economic advisor Alan Beaulieu to produce a critical economic forecast Webinar. This webinar, "Distribution Industry: Navigating the Crisis," will run next Thursday, April 9th, from 3:00 to 4:30 p.m., EDT.

Seats are limited, so if you are interested please purchase your seat today at:

<https://www.naw.org/navigating-the-crisis/>

5. U.S. Department of Labor Webinar

The U.S. Department of Labor will be posting a recorded webinar tomorrow, Friday, April 3, 2020, to provide interested parties a more in-depth description and help them learn more about the Families First Corona Response Act (FFCRA).

To view the webinar visit:

<https://www.dol.gov/agencies/whd/pandemic>

Many thanks—

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