



March 10, 2020

The Honorable Chuck Grassley
Chairman
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, D.C. 20515

The Honorable Richard Neal
Chairman
Committee on Ways and Means
United States House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, D.C. 20515

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
United States House of Representatives
1139 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Grassley, Ranking Member Wyden, Chairman Neal and Ranking Member Brady,

On behalf of the National Cooperative Business Association CLUSA International, I write regarding the federal response to COVID-19, also known as Coronavirus. NCBA CLUSA represents the more than 65,000 cooperative businesses in the United States in every congressional district and nearly every sector of our nation's economy. As you continue to help the nation prepare for and respond to COVID-19, I strongly urge you to ensure that cooperative businesses are treated fairly and be designated as eligible entities in any additional federal assistance.

Cooperative businesses come in many forms. They are businesses that are distinctive because they are owned, controlled, and benefit the people who use the business. Despite competing in the market like all other types of businesses, however, cooperatives remain ineligible for many federal programs. While I look forward to more in-depth discussions about the eligibility of cooperatives, but at present, it is critical that you ensure cooperatives are explicitly listed as eligible entities for the federal assistance made available by Congress, including issues related to tax relief, small business loans and others.


Unfortunately, there are already examples of federal agencies neglecting to treat cooperative businesses fairly under a disaster declaration, including by indicating consumer and marketing cooperatives are ineligible for Economic Injury Disaster Loans through the Small Business Administration. Many food cooperatives, for example, are consumer owned. This means that under current regulation, local, community-owned grocery stores that are in neighborhoods of all types and sizes would not be able to access assistance from the Small Business Administration. But that same store, if owned by a single owner or even if it were a private nonprofit organization could. The SBA's mission is "to aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns," yet under current regulations it fails to include

the small business concerns of thousands of businesses simply because they use the cooperative business structure.

Annually, cooperative businesses generate \$75 billion in wages and \$650 billion in revenue. Across the nation, more than 115 million Americans are a member of at least one cooperative business. Like under any other business model, cooperative businesses depend on continuity in their operations – from their supply chain management to their employees. Whether organized as a worker cooperative, a consumer, utility, marketing, or other type of cooperative, it is imperative that these businesses, of which the vast majority are small businesses, recognize the economic contribution and importance these businesses play in their communities. Should Congress determine that additional federal assistance is necessary to support Main Street businesses in the face of COVID-19, it is critical that cooperative businesses receive fair and equal access to federal support.

I thank you for your attention to this important matter.

Sincerely,



Doug O'Brien
President and CEO
NCBA CLUSA