

GREG PENCE

6TH DISTRICT, INDIANA

**TRANSPORTATION AND
INFRASTRUCTURE COMMITTEE**

SUBCOMMITTEE ON HIGHWAYS AND TRANSIT

SUBCOMMITTEE ON RAILROADS, PIPELINES,
AND HAZARDOUS MATERIALS

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,
PUBLIC BUILDINGS, AND EMERGENCY
MANAGEMENT

FOREIGN AFFAIRS COMMITTEE

SUBCOMMITTEE ON EUROPE, EURASIA, ENERGY,
AND ENVIRONMENT



Congress of the United States
House of Representatives
Washington, DC 20515-1406

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April 9, 2020

The Honorable Jovita Carranza
Administrator
Office of the Administrator
Small Business Administration
409 3rd Street SW
Washington, D.C. 20416

Dear Administrator Carranza,

Thank you for your continued efforts in assisting small businesses across the country that are shouldering the economic burdens of COVID-19. Congress took decisive action in providing authority to the Department of Treasury and Small Business Administration (SBA) for implementation of the Paycheck Protection Program (PPP) as part of the recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act. It is my understanding, however, that due to a lack of clarity, rural electric cooperatives are having consistent difficulty in accessing this relief from their local lenders. As you continue implementing the PPP, I encourage SBA to issue additional clarification of eligibility for electric cooperatives so they can access much needed relief.

Indiana is home to 38 not-for-profit electric cooperatives that provide reliable, affordable telecommunications, telephony, and electricity distribution services to power Hoosier communities. During this pandemic, communities in southeastern Indiana rely on these cooperatives to keep their lights on, to telework and attend distance learning classes, and access telehealth services. While Hoosiers in rural areas are in constant need of these services, present circumstances are putting economic stress on cooperatives' business operations. These organizations should be able to access to PPP loans in their time of need so they can continue operating.

Prior to the recent implementation of PPP, electric cooperatives across the country were regular 7(a) loan users. In fact, in 2017, "consumer and marketing cooperatives" were specifically removed from SBA's list of ineligible entities. Even so, local lenders are forced to delay loan applications because of unclear eligibility requirements.

Congress' intent in providing broad eligibility for the PPP in the CARES Act was to appropriately reach a wide variety of small businesses that are being unduly harmed by this ongoing pandemic. Additional clarification from SBA will put lender's worries to rest and allow rural cooperatives in Indiana's Sixth District and nationwide the opportunity to receive PPP relief. Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Pence". The signature is written in a cursive, flowing style.

Greg Pence
Member of Congress