



Owner-Operator Independent Drivers Association

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April 14, 2020

The Honorable Marco Rubio
Chairman
Senate Small Business & Entrepreneurship Committee
428A Russell Senate Office Building
Washington, DC 20510

The Honorable Ben Cardin
Ranking Member
Senate Small Business & Entrepreneurship Committee
428A Russell Senate Office Building
Washington, DC 20510

The Honorable Nydia M. Velázquez
Chairwoman
House Small Business Committee
2361 Rayburn House Office Building
Washington, DC 20515

The Honorable Steve Chabot
Ranking Member
House Small Business Committee
2069 Rayburn House
Washington, DC 20515

Dear Chairman Rubio, Chairwoman Velázquez, and Ranking Members Cardin and Chabot,

The Owner-Operator Independent Drivers Association (OOIDA) represents over 160,000 professional drivers and small-business truckers, who have been working throughout this public health emergency to ensure that businesses, hospitals, and all Americans have the supplies they need. Many of our members have sacrificed their own wellbeing to keep our country healthy, safe, and productive.

While news reports may give the impression that business for truckers is booming, the underlying data and feedback from our members paint a much different picture. Outside of an initial spike in demand for delivering groceries and other essentials, most truckers transporting in other segments of the economy have seen a significant drop in business. And as Americans realize there is plenty of food in our supply chain and panic buying subsides, we are seeing rates drop across the industry.

To weather this economic downturn, small-business truckers must have access to assistance that Congress promised through the CARES Act with the Paycheck Protection Program (PPP) and Emergency Economic Injury Disaster Loan (EIDL) program. Unfortunately, our members are experiencing significant difficulties in securing this assistance and encountering a chasm between what was touted when this legislation was enacted and what they are actually receiving.

The PPP is supposed to provide small businesses and independent contractors loans to keep paying their workers through this emergency period. The CARES Act and guidance from SBA and the Treasury Department seem to make clear that nearly any type of small business or self-employed individual should be eligible to apply: “All businesses – including...sole proprietorships, self-employed individuals, and independent contractors – with 500 or fewer employees can apply.”¹

While this guidance appears straight forward, our members’ experience has shown this is not this case. Some of our members who have attempted to apply are being told by lenders that they are not accepting applications until

¹ Paycheck Protection Program (PPP) Information Sheet: Borrowers, *Treasury Department*

they receive additional guidance from SBA. We also have concerns that lenders may overlook applications for these smaller loans because there isn't much financial incentive to process them.

Furthermore, for some sole-proprietors applying for a PPP loan, they are reporting that they must use their net income to calculate their maximum loan eligibility. Since any good business knows to deduct as much as possible to limit net income, these sole-proprietors are unable to use the PPP loans.

Complicating matters, SBA's and Treasury's guidance for the program has been vague and at times contradictory, particularly for independent contractors, making it difficult to advise our members on what they should do.

Between the lack of clear guidance from SBA and difficulty in getting a straight answer from lenders, our members are finding it is not as simple to apply as was initially promoted by the CARES Act. While these small businesses and independent contractors are not being outright turned away, their experience has effectively given them that message.

If Congress wants to make PPP loans useful to America's small-business truckers, it must make sure that clear guidance is available for all types of businesses that are applying, and that the program takes into account the diversity of business models throughout the trucking industry.

Our members are also extremely disappointed with their experience with the Emergency EIDL Program. After passage of CARES, it seemed that applicants would be getting a \$10,000 advance within three days of their application. We now know that this will not be the case. Some of our members are beginning to hear back about their applications three weeks after applying, and have learned that they will only be getting \$1,000 per employee. Even worse, it appears independent contractors and sole proprietors with no employees will not receive any advance. This is all the more frustrating since the CARES Act explicitly made these businesses eligible to apply for and receive EIDL advances and loans.

We appreciate that Congress is interested in providing more funding to the PPP and EIDL programs and has recognized some of the challenges that businesses encountered during this initial phase. But as you consider additional funding, you must resolve the issues our members have faced if we are to continue providing this program as a possible relief opportunity. Needless to say, without corrections, it will be very difficult for us to advise our members to dedicate their resources to apply for these programs.

There must be a strong trucking industry if our nation's economy is to quickly and strongly rebound from this emergency. Small-business truckers make up 96% of motor carriers, and many of them risk bankruptcy in the current situation. If these businesses are allowed to fail, there will certainly be delays and increased costs across the economy when restarting from this crisis. It is therefore critical that they have access to this assistance.

We appreciate your time and consideration. We also look forward to working with you to address these issues in a meaningful and productive way. Please contact Bryce Mongeon, Director of Legislative Affairs, at bryce_mongeon@ooida.com should you have any questions, require additional information, or wish to schedule a meeting.

Sincerely,



Todd Spencer
President & CEO
Owner-Operator Independent Drivers Association

cc: SBA Administrator, Jovita Carranza
Treasury Secretary, Steven Mnuchin