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April 13, 2020

Honorable House Majority Leader Nancy Pelosi
& Honorable Members of the California Congressional Delegation
Office of Leader Pelosi
1236 Longworth H.O.B.
Washington, DC 20515

RE: SUPPORT – PROVIDING ACCESS OF 501(c)(6)s TO THE PAYCHECK PROTECTION PROGRAM

Dear Leader Pelosi and Members of the Bay Area Congressional Delegation,

On behalf of The Silicon Valley Chamber Coalition, the voice for all of Silicon Valley's Chambers of Commerce, we write to you to humbly request that all nonprofit organizations be provided access to small business loans through the Paycheck Protection Program, regardless of the classification of nonprofit.

In reviewing the Republican Senate stimulus legislation (CARES Act) with the US Chamber with fellow non-profit colleagues, we were alerted to a significant issue that directly impacts trade associations. Nonprofit 501(c)(6)s are specifically excluded from accessing any of the payroll loans and resources currently provided by the CARES Act due to lobbying concerns, while Nonprofit 501(c)(3)s, who also conduct in lobbying activities, are provided access to these resources.

501(c)(6)s are major employers in many of our communities and play a vital role in the on-going health of the business community and health care safety net. According to the most recent Association Operations Ratio Report conducted by the American Society of Association Executives (ASAE), 501(c)(6) organizations dedicate a mean of 5.19% and a median of 2.81% of resources to lobbying expenses while 501(c)(3)s are permitted to use up to 20% of annual resources on lobbying expenses and activities.

The Shelter-In-Place orders have created economic and financial hardship on all nonprofit associations. The inability to conduct normal fundraising activities along with impacts to reduced and declining memberships will force even well-resourced nonprofits to reduce staff immediately and may cause many to close permanently – at a time when their services to our communities are desperately needed. All nonprofits, regardless of type, should be treated equally as small businesses or at least as equal to 501c3 nonprofits within the Federal Stimulus Package legislation.

Thank you for the consideration of our comments. If you have any questions about our coalition's position on this policy issue, please contact SVO Director of Government & Community Relations, Eddie Truong, at (408) 291-5267.

Sincerely,



Matthew Mahood
Co-Chair, Silicon Valley Chamber of Coalition
President & CEO, The Silicon Valley Organization (The SVO)

CC: U.S. Senator Dianne Feinstein
U.S. Senator Kamala Harris
Rep. Zoe Lofgren, Chair, California Congressional Delegation
Members of the California Congressional Delegation