RE: URGENT REQUEST TO INCLUDE CLIMBING GYMS AND OTHER FITNESS AND RECREATIONAL FACILITIES IN EMERGENCY STIMULUS FUNDING

March 25, 2020

Dear Secretary Mnuchin, Speaker Pelosi and Leaders McConnell, Schumer and McCarthy:

We are grateful Congress extended funds through expanded Small Business Administration (SBA) loans and grants within the most recent Senate proposal. We are deeply concerned, however, that the definitions put forth in this critical legislation do not expressly incorporate fitness and recreational facilities, including businesses such as climbing gyms, and that more relief measures will be needed.

As you know, employers everywhere are closing due to financial distress caused by the COVID-19 pandemic. Climbing gyms are no exception. The indoor climbing gym industry has been growing year-over-year for over 20 years and was forecasted to be an almost $1 billion industry in 2020. Climbing gyms and other fitness and recreational facilities all face severe layoffs and the threat of bankruptcy during this crisis. This has affected, and will affect, tens of thousands of Americans. Without any fault of their own, climbing gyms are losing their ability to provide for members and employees due to lost revenue on account of massive forced closures. Climbing gyms and other such facilities rely on memberships and active visits for survival.

To ensure all climbing gyms and other fitness and recreational facilities are included in crucial stimulus funding to combat COVID-19, the Climbing Wall Association (CWA), and its membership, request Congress to consider including fitness and recreational facilities within the requirements for SBA loan eligibility. Without this financial support, innumerable small businesses will fail.

In addition, the indoor climbing industry and its employees ask for Congress and the Administration to urgently consider the following immediate relief measures, which we hope will allow the industry and its employees, who live and work in practically every Congressional District, to weather the present COVID-19 pandemic crisis, including:

- Guarantee at least $1 billion for this sector in S. 3548 The Coronavirus Economic Stabilization Act of 2020 and any future legislation.
• Loan guarantees that ease a liquidity squeeze imposed by fixed costs in the face of non-existent revenues.
• Tax benefits to assist employers with providing support to employees;
• Relieving the burden of costs that are ongoing despite closures; and
• Tax measures that will allow climbing gyms to recoup losses when the industry is back up and running.

We also take this opportunity to support the American Society of Association Executives' proposal for a pandemic risk insurance program (PRIP). This measure ("Pandemic Risk Insurance Act of 2020"; PRIA) would mandate that businesses who demonstrate significant business interruption and sharp decline in present and future revenue would be insured in case of a possible pandemic or epidemic.

This measure would create a federal "backstop," much like the Terrorism Risk Insurance Act (TRIA), for insurance claims related to a pandemic or epidemic. The specific purpose of pandemic risk insurance would be to provide for a federal loss-sharing program for certain insured losses resulting from a certified pandemic/epidemic.

Following are the ASAE's proposed details for PRIA:

1. This measure would create the PRIP, a three-year program to provide a government reinsurance backstop in the case of epidemic/pandemic.
2. For purposes of this measure, an epidemic is defined as the occurrence in a community or region of cases of an illness, specific health-related behavior, or health-related events clearly in excess of normal expectancy. A pandemic is defined as an epidemic occurring worldwide, or over a very wide area, crossing international boundaries and usually affecting a large number of people.
3. When the Secretary of Treasury, in consultation with the Secretary of Health and Human Services, the Secretary of Homeland Security and the Attorney General, certify that an "epidemic" or "pandemic" event has occurred within the confines of the United States, then this measure will immediately take effect.

The business models of the climbing gym and fitness industries are uniquely vulnerable in the present crisis. As we confront this evolving and unprecedented period, we call on Congress and the Administration to ensure that America's fitness and recreational facilities and their employees across the country can remain resilient. Tens of millions of Americans rely on these businesses in pursuit of a healthy lifestyle.

The Climbing Wall Association is the only trade association addressing the needs and interests of the indoor climbing industry. We serve climbing gyms, climbing wall operators, climbing wall manufacturers, equipment manufacturers, consultants and others involved in the climbing industry, and provide trade association services to more than 400 companies in the climbing industry. We provide relevant and actionable climbing business resources that keep the industry healthy and thriving. We do this through advocacy; developing industry standards; publishing industry news, data, and analysis; sponsoring certification and professional development programs; and producing community-building and educational events.

Thank you for your consideration and continued support of our country during this challenging time. If you have questions regarding this urgent request for critically needed support for the fitness and recreation sectors, particularly climbing gyms, please contact Garnet Moore, CWA's Director of Operations, at garnet@climbingwallindustry.org or 720-534-2120.

Sincerely,

Rick Vance
Vice President of the Board of Directors
Climbing Wall Association

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