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April 6, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Charles E. Schumer
Democratic Leader
U.S. Senate
Washington, DC 20510

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

The National Parking Association (NPA) thanks Congress and the Administration for relief provided in the CARES Act, particularly for small businesses and furloughed workers. However, we need your help. The Paycheck Protection Program, as enacted and as implemented so far, fails to account some particular needs and corporate structures of the parking industry, described below and in the attached summary.

The parking industry provides an essential service supporting workers in healthcare, transportation, hotel, and restaurant industries, among others. While we understand specific aid for the airlines and hospitality industries, an empty parking space is no different than an empty airplane seat or empty hotel room and we are inextricably linked to those sectors.

The **continuing crisis, resulting in the collapse of parking demand**, has caused a cash flow crunch that will result in unfortunate cuts to our employee base and puts the survivability of businesses in question.

Aid is desperately needed for companies to stay afloat and retain workers.

- **Immediate loss of 290,500 jobs expected—at risk up to 80% totaling 464,400 jobs**
- **With supported workers at 1 million—at risk up to 80% job losses 800,000 jobs**
- **\$131 Billion Industry to decline 50% to \$65.5 billion or crater 80% to \$26.2 Billion**

We respectfully request that the CARES Act be amended in the following ways:

Paycheck Protection Program

1. **Add exception for parking industry (NAICS Code 812930) to provision excepting larger businesses in hotel and restaurant industries from affiliation rule and “more than one physical location” rule.** We are equally desperate for financing as lodging and restaurant companies that depend so greatly on our parking. In addition, the law needs to clarify that parking companies can apply for up to \$10 million per location due to the typical industry structure of larger companies (hundreds or thousands of locations with a few employees but all under the same corporate Employer Identification Number. Without this fix thousands of workers will be unnecessarily furloughed.)



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2. Waive affiliation rules temporarily for this crisis, so that businesses that receive financial assistance from private equity or foreign investment companies are eligible for the PPP. If your goal is preserving jobs, these two obstacles are affecting many parking companies that will have no choice but to deepen furloughs and possibly close.
3. In some cases, parking employees work under a contract that their employer has with a corporate client. It would help to clarify for the parking industry to ensure that where the parking company employs workers and provides services under a contract to a PPP borrower, the borrower may use loan proceeds to pay its parking contractor to cover the payroll costs of the contractor, provided that such contractor is not itself an eligible PPP borrower.

Mid-Sized/Large Business Loan Programs:

1. For purposes of Treasury stabilization loan access for mid- to large-size parking industry business concerns, in Section 4003 (b)(1)(4) of the CARES Act, clearly state that other distressed businesses, like those in the parking industry, do not have to provide security for loans and forgiveness is available for such loans on certain conditions.
2. Allow companies to return to 90% of pre-COVID-19 employment levels six months after lifting of a state of emergency, not four months, as a revision to the current requirement to rehire 90% of pre-COVID-19 pandemic employees. It will take considerable time for demand for industries like commercial parking to ramp back up and we should not be penalized for that with only a four-month grace period.

Many of our 581,000 direct employees and up to 1 million supported workers are vulnerable hourly workers living paycheck to paycheck—and still on the front lines at parking facilities/lots across the country supporting hospitals, airports, and other essential businesses.

We will be glad to meet with you and your staff to discuss our proposals and save the industry. Thank you for your support of the survival of jobs and businesses. If you have questions or wish to arrange a meeting, contact me at 202-309-6369 or ChristineBanning@weareparking.org.

Sincerely,

Handwritten signature of Christine Banning.

Christine Banning, IOM, CAE
President, NPA

Handwritten signature of Alan Lazowski.

Alan Lazowski, Chairman & CEO, LAZ Parking
Immediate Past Chair of the NPA Board

PARKING INDUSTRY: SUMMARY OF PROPOSED CARES ACT REVISIONS, Pg. 1 of 2

Paycheck Protection Program

1. **NAICS Code Exception**—The CARES Act in new section 7(a)(36)(D) uses NAICS Code 72 to grant PPP eligibility to larger hotel/restaurant businesses notwithstanding their having more than 500 employees (either because of having more than one physical location or due to the affiliation rule).

Congress should provide the same exceptions for the parking industry by adding a reference to NAICS code 812930 in D(iii) and D(iv). This in effect waives limitations on gross revenue and the total number of employees, consistent with the relief provided to the hotel and hospitality industries.

Benefits of the NAICS Waiver -- The parking industry is equally desperate for financing as the two excepted categories, lodging and restaurants, that depend so greatly on our parking. By allowing parking companies of all sizes to participate in the PPP via these two exceptions, you will increase the likelihood that when normalcy returns, hotels and restaurants will be able to depend on commercial parking nearby.

We note further that the PPP bolstered the resiliency of near-airport parking competitors by granting them access to liquidity while leaving national near-airport parking operators to fend for themselves.

Although national near-airport parking companies have been given access to Treasury repayable loans with conditions, the conditions are untenable to companies of our size (<5,000 employees combined) while our direct competitors (small competing near-airport parking companies, airports, and hotels) received forgivable loans and grants, in some cases without regard to employee count. We do not believe Congress intended to create winners and losers, but without amendment, that is what will occur, to the disadvantage of tens of thousands of American workers.

Per Location Clarification -- In addition, the law needs to clarify that parking companies can apply for up to \$10 million per location due to the typical industry structure of larger companies (hundreds or thousands of locations with a few employees but all under the same corporate Employer Identification Number. Without this fix thousands of workers will be unnecessarily furloughed.)

2. **Affiliation Rule Modification** -- Waive affiliation rules temporarily for this crisis, so that businesses that receive financial assistance from private equity or foreign investment companies are eligible for the PPP. If your goal is preserving jobs, these two obstacles are affecting many parking companies that will have no choice but to deepen furloughs and possibly close. Those sources of equity investment should not “poison the well” for American companies employing American workers.
3. **Outsourcing Clarification** -- In some cases, parking employees work under a contract that their employer has with a corporate client. It would help to clarify for the parking industry to ensure that where the parking company employs workers and provides services under a contract to a PPP borrower, the borrower may use loan proceeds to pay its parking contractor to cover the payroll costs of the contractor, provided that such contractor is not itself an eligible PPP borrower. Without this clarification, there could be situations where our client is not eligible to use the PPP but the

PARKING INDUSTRY: SUMMARY OF PROPOSED CARES ACT REVISIONS, Pg. 2 of 2

parking company is too large to benefit (under the current CARES Act provision). As a result, the employees' payroll wouldn't be covered by either an SBA loan or loan forgiveness.

Mid-Sized/Large Business Loan Programs:

1. For purposes of Treasury stabilization loan access for mid- to large-size parking industry business concerns, in Section 4003 (b)(1)(4) of the CARES Act, clearly state that other distressed businesses, like those in the parking industry, do not have to provide security for loans and forgiveness is available for such loans on certain conditions.
2. Section 4003(c)(3)(D)(i) requires borrowers to rehire 90 percent of their employees from February 1, 2020 (pre-pandemic) within four months of the lifting of a state of emergency. **Congress should instead provide six months to return to those pre-COVID 19 workforce levels.**

It will take considerable time for demand for industries like commercial parking to ramp back up and we should not be penalized for that with only a four-month grace period. Six months would be far preferable based on current projections.