May 5, 2020

U.S. House of Representatives
Washington, DC 20515

United States Senate
Washington, DC 20510

Dear Member of Congress:

On behalf of the National Independent Venue Association (NIVA), we thank you for your strong leadership in addressing the detrimental impact of the COVID-19 pandemic on our nation. We share your concerns about this serious health crisis and stand behind your valiant efforts to protect American lives while stabilizing our economy. As you continue these efforts, we, as members of NIVA from Kentucky, hope to work with you to preserve the independent music venue industry. Our facilities are not only incubators and launch pads for the most popular musical talent in the world, but serve as important economic multiplier in our local communities throughout the state.

NIVA is comprised of more than 1,000 of the most influential independent music venues and promoters across all 50 states and Washington, D.C. In Kentucky, our members represent 1,500 employees, almost 1 million tickets sold annually and $25 million in gross ticket revenue. Expecting the pandemic to last the remainder of 2020, gross ticket revenue alone for this year will decrease to a little over $4 million. Moreover, entertainment hubs serve as revenue generators for neighboring businesses such as restaurants, hotels, and retail. And that indirect economic impact is estimated at over $300 million annually.

The cultural impact of our venues on our local communities is priceless. Our stages give artists their start. Our very own Sturgill Simpson launched his career playing in our venues. Independent venues and promoters are crucial components of the music industry’s ecosystem, without whom there will be dire ramifications for artists as fan spending plummets.

Our businesses were among the first to close as COVID-19 spread across the country, and unfortunately, are also likely to be among the last to reopen. We fear we may not be permitted to resume operations until a vaccine is readily available to the public, which means that in order to protect lives, our employees and artists may remain without jobs and we may be without revenue for an entire year or more.

We truly appreciate the swift action taken by Congress to support many industries across America, but unfortunately the programs that were enacted provide little relief to independent venues and promoters. The current programs are designed for businesses that will potentially be able to return to normal business operations in the coming weeks and months. They fail to sustain an industry like ours, and without additional help, many of our venues will not survive to see the day when our doors can open to the public again.
In short, our members, employees, artists and local communities are facing an existential crisis as a result of the pandemic and are in urgent need of targeted assistance. In particular, as you continue to work to address the crisis, we respectfully request that you consider the following solutions to address the unique situation facing our industry:

- **Ensure the SBA PPP Loan Program Helps Those In Greatest Need.** Modify the existing PPP program, including with a separate allotment of funds for businesses that are completely closed in accordance with government-mandated social distancing guidelines, or create a separate program for these businesses. Important features needed specifically for shuttered businesses like ours include:
  
  o Increase the loan cap to at least eight times the average monthly cost of all qualified uses of the loan.
  
  o Build-in flexible loan forgiveness by (1) allowing the use of loan proceeds on payroll, rent, utilities, ticket refunds, working capital, insurance and debt obligations with no minimums on the percentage dedicated to any one expense; and (2) waiving the requirement for loan forgiveness to be contingent on employee retention if companies have no work to offer employees.
  
  o To the extent loan pay-back is required for any portion, ensure that payments are not required and interest does not accrue until one year after the industry is able to resume normal operations at full legal capacity.
  
  o Amend the program to expand the multiple location provision and affiliation waivers to entertainment businesses (NAICS Codes 711310 and 711320) with multiple physical locations, but less than 500 employees per location, to receive PPP loans.
  
  o Extend the program until shuttered businesses are able to resume normal operations at full legal capacity and allow eligible companies to apply for multiple PPP loans.
  
  o Ensure quick processing through SBA based on information and data already submitted to SBA through initial applications.

- **Tax Relief**
  
  o **Ticket Revenue.** Consider tickets sold by small and medium sized promoters for canceled and postponed events to be considered “distressed inventory” for tax purposes and provide a tax credit for refunded ticket prices where a patron has opted for a refund rather than a voucher for a future event.
  
  o **Employee Retention Payroll Tax Credit.** Expand eligibility to include shuttered businesses who are recipients of PPP loans and continue this benefit until the industry is able to resume normal operations at full legal capacity.
- **Tax Deferral.** Request that federal taxes for shuttered businesses be deferred until at least six months after the industry is able to resume normal operations at full legal capacity.

- **Unemployment Insurance.** Continue additional federal support for unemployment insurance for employees of shuttered businesses, including contract workers and artists who otherwise do not have access to relief.

- **Mortgage and Rent Forbearance.** Develop a solution to allow commercial rent and mortgage payments to be abated without lease cancellation until shuttered businesses are able to resume normal operations at full legal capacity.

- **Business Recovery Fund.** Establish a grant-funded business recovery fund for shuttered businesses such as independent venues and promoters that will assist these culturally and economically crucial businesses in recovering revenue losses incurred during an extended period of government-mandated closure with the goal of allowing each business to seamlessly return to normal operations once permitted.

- **Existing Debt Deferral.** Allow shuttered businesses to defer existing debt payments, and to prohibit creditors from moving to bankruptcy proceedings, requiring personal guarantees, or collecting collateral.

- **Reopening**
  - Dedicate national resources toward increasing testing, contact tracing, viral treatments and a vaccine, as well as uniform national systems businesses can use to prevent future spread.
  
  - Establish national guidelines for resuming and continuing large gatherings in a safe manner to ensure uniformity throughout the industry. This is particularly important to facilitate a tour for artists and entertainers that rely on the availability of venues across the country in which to perform.
  
  - Provide assistance to businesses through grant funding or tax credits to comply with any new health guidelines required for venues like ours to return to normal operations.

Taken together, these proposals will serve as a vital lifeline for our industry, for our community of employees and artists and for the iconic venues that mean so much to our local communities. At the same time, we are doing our part and working collectively to formulate and implement policies that will allow us to operate in a safe manner when we are able to once again reopen our doors.
Thank you very much for your consideration of our needs. We look forward to partnering with you throughout the economic recovery process.

Sincerely,
Art Sanctuary
The Burl
Coat Check
Corbin Arena
Cosmic Charlies
Diamonds Concert Hall
11 Year Itch
Galaxie
Headliners Music Hall
Landline Presents
Jimmy Can’t Dance
Kaiju
Kentucky EDM Family
Kentucky Performing Arts
Magnolia Bar & Grill
Manchester Music Hall
NachBar
Odeon
Production Simple
Psychic City
Riverpark Center
The Southgate House Revival
Terry Harper Presents
Third Street Dive
Tidballs
Trash Talk
The Warehouse at Mt. Victor
Waterfront Park
Zanzabar