

CHARLES D. BAKER GOVERNOR Office of the Governor **Commonwealth of Massachusetts** State House • Boston, MA 02133 (617) 725-4000

> KARYN E. POLITO LIEUTENANT GOVERNOR

March 17, 2020

Kem Fleming, Director U.S. Small Business Administration Office of Disaster Assistance, FOCE 101 Marietta Street NW, Suite 700 Atlanta, GA 30303-2725

Dear Mr. Fleming:

Beginning on January 31st, 2020 and ongoing, the Commonwealth of Massachusetts has experienced the effects of the novel Coronavirus ("COVID-19") pandemic. At present, there are 197 confirmed cases within the Commonwealth and it is presumed that more cases exist but have not been tested. As a result, I declared a statewide State of Emergency on Tuesday, March 10, 2020. That was followed on Sunday, March 15th by a ban on gatherings of more than 25 people, a 3-week suspension of school operations for educational purposes at all public and private elementary and secondary (K-12) schools, and a prohibition of on-premises consumption of food or drink at bars and restaurants through April 5th. Our administration is taking these steps to protect the health and safety of our residents to mitigate the spread of COVID-19.

As we take these steps necessary to lessen the toll on the health and well-being of our citizens, we understand the devastating effects they are having on our small business sector. All large events, including professional sporting events, theatres, and conventions have been canceled. This not only affects these large venues, it also cripples all of the smaller ancillary businesses, such as restaurants and transportation that rely on those events to support them. In addition, the restaurant and retail sector have been hit especially hard as people are advised to stay away from public spaces. This is particularly difficult for our many small Massachusetts towns whose vibrant downtowns consist of small unique locally owned businesses. Furthermore, the travel and tourism sector has been hard hit as people cancel their plans to visit the Commonwealth while overseas tourism companies located within the state have seen a dramatic drop in bookings and numerous cancelations. Finally, as businesses both large and small are affected, there is the potential for large scale layoffs that tend to hit those already struggling to make ends meet the hardest. I would further offer that is by no means an all-inclusive list of affected sectors as the total effect will only become apparent with time.

Beginning on Thursday March 12th, 2020, the Massachusetts Emergency Management Agency (MEMA) conducted a survey, together with economic development authorities across the state, to identify businesses affected by the COVID-19 outbreak. This preliminary survey resulted in an overwhelming statewide response of over 700 affected businesses by Monday March 16th. In an effort to expedite this request, a summary is attached, which identifies 14 businesses that suffered substantial economic injury, which would prevent them from meeting obligations as they mature or to pay their ordinary and necessary operating expenses compared to the same period in the preceding year.

Based on the results of this survey and in accordance with the Code of Federal Regulations, Title 13, Part 123.3, I hereby certify that at least 1 business located in each of the Commonwealth's 14 counties, which include Barnstable, Berkshire, Bristol, Dukes, Essex, Franklin, Hampden, Hampshire, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk, and Worcester, suffered substantial economic injury as a direct result of the outbreak. I further certify that the degree of severity of the economic injury and the lack of available financial assistance at reasonable rates and terms makes it necessary for federal involvement in the form of subsidized loans from the Small Business Administration. As such, I request that the Small Business Administration issue a declaration of economic injury for the listed counties so that low interest loans may be made available to business owners affected by this incident.

Although state and local officials, the Chambers of Commerce, and other civic and business organizations are working hard to provide support, your assistance in expediting help for these businesses as they work to meet their financial obligations and pay ordinary and necessary operating expenses during this ongoing event is greatly appreciated. Should you need additional information, please contact Thad Leugemors, MEMA's Assistant Director for Mitigation and Recovery (508) 820-1445 or at <u>thad.leugemors@mass.gov</u>.

Sincerely,

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Charles D. Baker Governor

Enclosures

Cc: Samantha Phillips, Director, MEMA Thad Leugemors, Assistant Director for Mitigation and Recovery, MEMA