

Senator Rubio calls for fast action to extend U.S. payroll protection program

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WASHINGTON (Reuters) - The United States needs to quickly revise its coronavirus aid program for small businesses to extend the eight-week period in which the law currently requires companies to spend the money, a key U.S. senator said on Sunday.

The Paycheck Protection Program established by Congress in late March was aimed at helping businesses keep making payroll for eight weeks, despite orders to shutdown because of the coronavirus pandemic. The eight-week period may be applied to any time frame from mid-February up to June 30.

But with many businesses that received loans under the \$660 billion PPP program moving toward the end of their eight-week period, Senator Marco Rubio, the Republican chairman of the Senate's small business committee, said lawmakers need to move fast to extend it.

"The legislative fix needed to #PPP is extending beyond 8 weeks the time period a #SmallBusiness has to spend the funds on payroll. We are hoping to move quickly on this before the first wave of #PPP loan recipients reach the 8 week point," Rubio wrote on Twitter.

While most states have begun to reopen their economies at least in part, some 36 million Americans - one in five in the workforce -- have lost their jobs since the pandemic began.

Rubio's Republican party has the majority in the Senate. But the top Democrat on the small business committee, Senator Ben Cardin, has also expressed support for re-examining the eight-week period in the small business program.

"I strongly support extending it," another Senate Democrat, Chris Van Hollen of Maryland, a member of the banking committee, said in a phone interview Sunday. "There's a real mismatch between that date and the real-world situation that many small businesses are facing.

"This is a real problem if you think about a restaurant in Maryland. It's very unlikely that they are going to have 100% of their customers coming in the door by the end of June," he said.

Van Hollen is among several Democratic senators who last week proposed another measure that would allow employers to share payroll costs with the federal government, while receiving grants to cover other fixed costs such as rent and needs for reopening safely, like protective equipment.

The Democratic-run House of Representatives has already voted to extend the eight-week period in the PPP to 24 weeks, part of a \$3 trillion coronavirus relief bill lawmakers passed Friday. Since March, Congress and President Donald Trump's administration have collaborated on four other coronavirus bills totaling nearly \$3 trillion, but Friday's House measure only attracted one Republican vote.

Senate Republican leaders have said the latest House bill has no future in their chamber, in part because it contains some provisions that are not directly related to the coronavirus. But Republicans have not ruled out additional coronavirus legislation, and the PPP enjoys bipartisan support.

The Wall Street Journal reported earlier on Sunday that revisions were expected to be made to the program by both lawmakers and administration officials. The changes are expected to include more flexibility to spend funds, the paper said.

A Friday statement by the Small Business Administration said it will soon issue regulations and guidance to "further assist borrowers as they complete their applications, and to provide lenders with guidance on their responsibilities."

(Reporting by Susan Cornwell in Washington and Kanishka Singh in Bengaluru; Editing by Catherine Evans, Jason Neely and Daniel Wallis)