

Member Day Testimony to the Small Business Committee

Chairwoman Velázquez, Ranking Member Luetkemeyer and members of the Committee:

Thank you for the opportunity to share my thoughts with the Committee on two critical issues: (1) the continuing impacts of COVID-19 on Hawaii small businesses; and (2) the need to ensure our small businesses are fully included in our nation's recovery.

Because Hawaii's largest industry is tourism and hospitality, our economy and small businesses have been especially hard hit by COVID-19 related stay-at-home orders and travel restrictions. Hawaii's unemployment rate was one of the lowest in the nation at 2.6% before COVID-19. It quickly peaked at 23.5% during the height of the pandemic, and today Hawaii's unemployment remains the highest in the nation at 8.1%.

This economic crisis has had a profound impact on Hawaii's small businesses, which are the lifeblood of my state. Prior to the COVID-19 pandemic, Hawai'i had 135,567 small businesses, roughly 1 business for every 10 people. Although it's difficult to pinpoint the exact number of small businesses we lost due to the pandemic, late last year Yelp estimated that well over a thousand businesses in Hawai'i permanently closed because of the pandemic. Sadly this includes Hawai'i institutions with long roots in the community, like Loves Bakery, Likelike Drive-in and many more.

This impact would have been significantly worse if it wasn't for the decisive action taken by this Committee. Your hard and ingenious work to create new programs like the Paycheck Protection Program provided a lifeline for thousands of businesses in Hawai'i. I also want to commend the Committee for remembering our immigrant and underbanked communities and ensuring they were not being left

behind. This has been critical in Hawai‘i, a state with unmatched ethnic diversity.

However, segments of small business in Hawaii and throughout our country were not effectively targeted and still desperately need additional assistance. These include our restaurants and live event operators who, despite rounds of Paycheck Protection Program and Economic Injury Disaster Loan Program assistance, need additional funding for the Restaurant Revitalization Fund and increased access to the Shuttered Venue Operators Grant program.

The nearly \$80 billion requested by restaurants from the \$28.6 billion Restaurants Revitalization Fund shows the desperate need of an industry struggling to recover. Because Hawai‘i small businesses are some of the most diverse in the nation, with a majority of these businesses being minority-owned businesses, many were approved for Restaurants Revitalization Fund assistance only to have that funding precipitously halted by court action. We should honor our commitment to these small businesses and look to pass Congressman Blumenauer’s Restaurant Revitalization Fund Replenishment Act, of which I am a cosponsor.

I have also spoken to many small business owners that support the hospitality and live events industry yet were left out of the Shuttered Venue Operators Grant program. While I understand the challenge in defining this industry, if we continue to leave out those that support the live entertainment industry, such as the audio-visual rentals, specialty entertainment services and more, we’ll neglect a critical component of the hospitality sector.

Lastly, as we work towards a comprehensive infrastructure package, Congress must include assure that our small businesses are fully included in this once-in-a-generation investment. In particular, we must ensure that small business contractors, including Super 8(a),

8(a), HUBZone and Woman- and veteran-owned businesses, have meaningful and enforceable set-asides. This will require continued oversight and focus, but it is a critical component to helping small businesses in all of our districts truly recover from the COVID-19 pandemic.

In closing, thank you for your leadership and work in helping provide relief to our nation's small businesses that are struggling to survive the unprecedented disruption of the COVID-19 pandemic. Without your decisive action over the past year and a half, many more small businesses would have shut their doors. I look forward to continuing to work with you on behalf of our nation's small businesses as we continue to transition from survival to recovery.

Mahalo.