

March 19, 2020

The Honorable Donald J. Trump
President
The White House
Washington, DC 20500

The Honorable Steven Mnuchin
Secretary of the Treasury
U.S. Department of Treasury
Washington, DC 20220

The Honorable Nancy Pelosi
Speaker of the House of Representatives
United States House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Democratic Leader
United States Senate
Washington, DC 20510

Dear Mr. President, Secretary Mnuchin, Speaker Pelosi, Leader McConnell, Leader McCarthy and Leader Schumer:

As you prepare relief packages to address the unique economic crisis the novel coronavirus presents to our country, I urge you to take strong and immediate actions to protect and support America's small businesses, including the small, multi-generational, family-owned businesses that account for most the U.S. confectionery industry.

The National Confectioners Association is the trade organization that represents the U.S. chocolate and candy industry by fostering an environment that enables candy makers to thrive. Confections are produced in all 50 states, creating direct jobs for approximately 54,000 workers in more than 1,300 manufacturing facilities across the country. Many of our member companies have been in business for more than 100 years, passing down the traditions and craft of candy making to generation after generation. On average, these small manufacturers employ 250 people or fewer. However, because of the confectionery industry's unique supply chain and the number of locations in which confections are sold, more than 600,000 Americans across the nation rely on the candy industry for some or all of their income.

Right now, these companies are confronting unprecedented challenges. The COVID-19 global pandemic, combined with the existing strains placed on our industry by short supply of sugar and the artificially high domestic sugar price, has exacerbated pressures on the economic health of our industry. Our small manufacturers have shared their concerns with us when it comes to making rent and payroll, preventing layoffs, and dealing with frozen supply chains – all while trying to provide the necessary supports to the industry's workforce during this uncertain time. Small confectionery producers often operate on narrow margins while

employing hundreds of people. Without your attention and swift, strong action, many of these companies will not survive.

It is for these reasons that I urge you to pass and support legislation to assist our nation's small businesses as soon as possible. Among actions that would provide immediate relief to America's chocolate and candy makers:

Create a federal exemption for food manufacturing facilities

- Issue a federal declaration stating that all food manufacturing facilities, as well as facilities that produce supplies essential to food production, are exempt from gathering bans and curfews, ensuring the continued supply of food and securing worker safety.

Fund no-interest and low-interest loan assistance

- Provide considerable funding for the Small Business Administration's Disaster Assistance Programs.
- Ensure that new and existing commercial bank loan programs reflect the same terms and conditions as those established by SBA's Disaster Association Loans.

Expand unemployment insurance

- Ensure that unemployment insurance is available for all temporarily laid off employees without long-term negative impact to employers' insurance premiums.

Suspend payroll tax collection

- Increase liquidity for employers by temporarily suspending the collection of payroll taxes.
- Consider refunding small businesses for payroll taxes that have been paid to date in 2020.

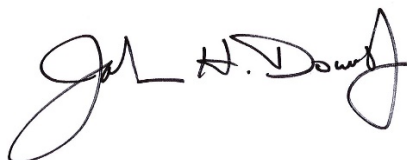
Authorize an industry recovery fund for confectionery manufacturers

- Demonstrate support for hundreds of small confectionery manufacturers and the thousands of Americans we employ as part of the essential food manufacturing industry by establishing a confectionery industry recovery fund of \$500 million to pay employees, maintain overhead expenses and meet existing financial obligations.

It is my great hope that these measures can be enacted immediately. At this time, the speed in which a small business can access funds is just as important, if not more important, to the survival of the business than the ultimate amount of funds available.

Thank you for your leadership in this difficult and trying time.

Sincerely,

A handwritten signature in black ink, appearing to read "John H. Downs, Jr.", with a stylized, cursive script.

John H. Downs, Jr.
President & CEO