

Rep. Carolyn Maloney pushing for three restaurant relief bills

By **Brian Pascus**

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The specter of omicron hangs over a battered restaurant industry still struggling to maintain revenues and make payroll nearly two years into the pandemic.

“Omicron wiped us out,” said James Mallios, owner of Amali on the Upper East Side and three other restaurants in the metropolitan area. “Whatever we made back after PPP and the economy reopened got completely wiped out after omicron.”

Help may be on the way, though, through the work of [Rep. Carolyn Maloney](#), who represents Manhattan’s east side, Queens and Roosevelt Island. She is working to pass three federal bills tailored to aiding restaurants. The bills would send billions of dollars in new relief directly to the restaurant industry, create new protections in the form of business interruption insurance, and rework the Paycheck Protection Program loan program to extend the timeframe.

Maloney, a 14-term representative and chair of the House Oversight Committee, hopes to pass a bill replenishing the Restaurant Revitalization Fund, which ran out of \$28.6 billion almost as soon as applications opened on May 3, 2021.

“People tell me all the time that they tried to apply on day one [of the fund opening], and it immediately ran out of money before they could get into it,” Maloney said. “These are not just big restaurants. These are the tiny little coffee shops and bodegas.”

Roughly 65% of New York City restaurants that applied to the national fund were shut out when money was exhausted by mid-May, said Andrew Rigie, executive director of the New York Hospitality Alliance, a restaurant trade group. Maloney’s bill in the House of Representatives aims to place \$60 billion into a fund that would award both new applications and honor the pending ones that weren’t paid out last year.

“The minute you put that thing out, you’ll have so many people apply,” Maloney said. “They ask me all the time, ‘When am I getting my money?’”

Rigie argued that refilling the Restaurant Revitalization Fund is critical to the overall economy and that every restaurant pushed to the brink of financial collapse potentially hurts other businesses.

“No matter what industry you’re in, you’re probably connected to restaurants,” he said. “You have farmers upstate who grow the vegetables, the truck drivers who deliver the food, the employees within the restaurant and the people that come in to fix the equipment.”

Maloney is also co-sponsoring a bill with Upper West Side Rep. Jerry Nadler to create a six-month extension for small businesses that received PPP money but remained closed and couldn’t put it to use between April 1 and Dec. 31, 2020.

The bill, the Low-Revenue Recipient Paycheck Protection Program Relief Act, would require no new federal spending; instead, it simply shifts the coverage period of the PPP loan to ensure small businesses aren’t forced to pay back the funds to banks before they’ve had a chance to use them.

“What was intended to be a loan that was forgiven has turned into a debt,” Rigie said.

Lastly, Maloney is pushing her Pandemic Risk Insurance Act of 2021.

Using 75% public funds and 25% private money, Maloney's PRIA bill would create a federal Pandemic Risk Reinsurance Program to cover business interruption insurance losses from future pandemics. Modeled after the Terrorism Risk Insurance Act of 2002 that gave business owners and the insurance industry mutual protection in the event of a terrorist attack, PRIA would apply nationwide and backstop any future losses experienced by pandemic-induced shutdowns.

To Maloney, it makes sense to set up a fund now rather than react in the heat of another emergency.

"You're going to have to respond to the emergency—the government will go in anyway—so [you] might as well plan ahead and have a structure in place to protect [businesses] in the future," Maloney said. "Think it through and work with the private sector."

Maloney and her team said there's no price estimate on what PRIA would cost the federal government. It could be astronomical, however.

Marc Dedman, an attorney with the Barton law firm and a business and insurance specialist, estimated last year that the commercial insurance industry took in \$600 billion in premiums in 2019. Dedman said the estimated business interrupted insurance losses of all United States companies are between \$250 billion and \$350 billion per month.

Even with President Joe Biden in office and Democratic majorities in the House and Senate, Maloney recognizes her big ambitions for helping the city's restaurants will need the power of her entire party in Congress.

"Passing a bill is not easy. It's hard and it's a lot of work," she said. "Quite frankly, it's hard to pass a big spending bill right now."