

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

COMMERCE COMMITTEE HEARING

STATE CAPITOL
HARRISBURG, PA

RYAN OFFICE BUILDING
ROOM 205

WEDNESDAY, JANUARY 27, 2021
9 A.M.

PRESENTATION ON IMPACTS OF COVID MITIGATION ON THE
RESTAURANT INDUSTRY

BEFORE:

HONORABLE BRAD ROAE, MAJORITY CHAIRMAN
HONORABLE MIKE ARMANINI
HONORABLE ROBERT BROOKS
HONORABLE VALERIE GAYDOS
HONORABLE KEITH GREINER (VIRTUAL)
HONORABLE MIKE JONES (VIRTUAL)
HONORABLE BARRY JOZWIAK
HONORABLE SHELBY LABS
HONORABLE ROBERT MERCURI
HONORABLE TRACY PENNYCUICK
HONORABLE MICHAEL PUSKARIC
HONORABLE PERRY STAMBAUGH
HONORABLE TIM TWARDZIK
HONORABLE JOHN GALLOWAY, MINORITY CHAIRMAN
HONORABLE JOSEPH CIRESI
HONORABLE MICHAEL DRISCOLL
HONORABLE DIANNE HERRIN
HONORABLE MALCOLM KENYATTA
HONORABLE DARISHA PARKER
HONORABLE CHRISTOPHER RABB
HONORABLE MELISSA SHUSTERMAN
HONORABLE PERRY WARREN (VIRTUAL)

1 COMMITTEE STAFF PRESENT:

2 JENNIFER WEETER, MAJORITY EXECUTIVE DIRECTOR
3 HEATHER RODGERS, MAJORITY LEGISLATIVE
4 ADMINISTRATIVE ASSISTANT II

5 BETH HORNE-BEACHY, MINORITY EXECUTIVE DIRECTOR
6 INDIRA RIDGEWAY, MINORITY RESEARCH ANALYST

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*Pennsylvania House of Representatives
Commonwealth of Pennsylvania*

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TESTIFIERS

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P R O C E E D I N G S

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MAJORITY CHAIRMAN ROAE: Good morning, everyone. If everyone could please find a seat. It's nine o'clock. We're going to get started.

All right. Good morning, everyone. I'm Representative Brad Roae. I'm the Chair of the Commerce Committee. Everybody, thank you for coming today for our hearing on the struggles of the restaurant industry. We have the restaurant association and a couple of restaurants that will be testifying today.

I think all of us here, hopefully, have the same shared goal, that we would like to see Pennsylvania businesses successfully operating, making money, paying taxes, employing people, but at the same time do things, you know, safely as we deal with COVID-19.

I know in my district -- probably all of your districts -- restaurants are getting absolutely hammered. The restaurant industry is one of the hardest industries to make a profit. A lot of restaurants fail during normal times, but with all the added restrictions of COVID-19, sometimes I think it's a miracle that any of them are still in business.

So I'm looking forward to hearing from the restaurant association. And I think a fully open economy is

1 our best bet to help companies, help employees, help our tax
2 collections, but I'm looking forward to hearing what the
3 testifiers have to say about what we could do from here to
4 help them.

5 At this time, I'm going to have the Democratic
6 Chair, Representative Galloway, make his opening comments.

7 MINORITY CHAIRMAN GALLOWAY: Good morning and
8 thank you, Mr. Chairman.

9 We are at a crossroads, very, very difficult
10 situation. COVID has upended everything for quite some time
11 now. We believe, all of us, that we're on the back end, that
12 we're in the process of reopening. And it can't come soon
13 enough. You know, we have to balance health and safety with
14 our economy and having an economy and a country to save.

15 So I want to thank the Chairman, the Majority
16 Chairman, for having this today. Certainly the restaurant
17 owners have been hurt, to say the least. It's an
18 understatement to say that the restaurant owners have had an
19 extremely difficult time dealing with the regulations and the
20 changes and being able to stay open. And we all know that
21 even coming out of this, still a lot of restaurants aren't
22 going to make it.

23 And we have to do our part. We have got to
24 get involved. We have to take ownership. We have to take
25 responsibility, and we will. And we've got to work together.

1 I look forward to working with the Chairman.
2 We've got some great ideas -- people like Representative
3 Ciresi and Representative Driscoll, and some of the ideas on
4 your side of the aisle about waiving fees and outdoor dining
5 and all kinds of different things.

6 I look forward to the testimony today and I
7 look forward to working with the majority about getting this
8 economy, getting the restaurant association, up and going
9 again.

10 Thank you, Mr. Chairman.

11 MAJORITY CHAIRMAN ROAE: Thank you, Chairman
12 Galloway.

13 We do have some members, I believe, that are
14 participating remotely. Is that connection good right now?

15 (No response.)

16 MAJORITY CHAIRMAN ROAE: How many members do
17 we have remotely right now? Can you tell?

18 STAFF MEMBER: Representative Warren, we have
19 a phone call from 717-413 -- I don't know who that is -- and
20 Sirianni.

21 MAJORITY CHAIRMAN ROAE: Okay, so we have a
22 couple of members, roughly three members.

23 REPRESENTATIVE GREINER: Representative
24 Greiner.

25 MAJORITY CHAIRMAN ROAE: Okay, Representative

1 Greiner. Okay, so we have three members.

2 So just as an FYI -- hopefully the link
3 continues to work -- we're going to, you know, try to have
4 the meeting when all members can participate. So hopefully
5 nothing happens to our computer link.

6 At this time, we're going to have our first
7 testifier, actually, our only testifier, the Pennsylvania
8 Restaurant Association. We have the president and CEO,
9 Mr. John Longstreet, of the Pennsylvania Restaurant and
10 Lodging Association. Then I believe he has two restaurant
11 owners who are also going to testify.

12 If you're ready, Mr. Longstreet, you may begin
13 your testimony.

14 MR. LONGSTREET: I am, and I am assuming you
15 can hear me okay.

16 Thank you very much for the opportunity, Mr.
17 Chairman, to address the committee today.

18 And thank you to the committee members for the
19 care you're taking in looking after this industry.

20 Most people across the country now realize
21 that of all the industries, the restaurant industry was the
22 hardest hit by the pandemic, and that certainly was the case
23 in Pennsylvania, which had some of the most
24 draconian mitigation efforts for the restaurant industry
25 nationwide.

1 I've been asked to give a time line of the
2 mitigation that affected the restaurant industry. And we
3 have two terrific restaurateurs with us today to talk about
4 what it's like on the ground. So I'm not going to take a lot
5 of time besides going through the time line.

6 I do want to point out that in a recent survey
7 in Pennsylvania, Pennsylvania restaurateurs said that it's
8 unlikely -- 45 percent of the restaurateurs said that it's
9 unlikely they'll still be in business, they'll been closed
10 permanently within 60 days, if there isn't some relief in
11 sight. I should point out that nationwide 37 percent
12 answered the question the same way.

13 I would also say that in Pennsylvania there's
14 580,000 employees in the restaurant business and almost a
15 quarter of a million if you add in hotels to that. We
16 represent hotels, as well, as well as caterers and private
17 events in the Pennsylvania Restaurant and Lodging
18 Association. I'd also point out that that represents 26,000
19 restaurants, so based on the current survey, 12,000 of them
20 might never come back.

21 On a nationwide basis, OpenTable, which is the
22 largest compiler of restaurant reservations in the country
23 and the most reliable source of reservations, recently
24 reported that in Pennsylvania, restaurant reservations are
25 currently down 70 percent, that's seven-zero percent. Now,

1 you would expect that in a time of COVID, but let me also
2 point out that in Florida reservations are down 25 percent
3 and in the United States they're down 58 percent.

4 Now I'm going to go through briefly, as
5 briefly as I can -- because there's a lot of mitigation that
6 took place.

7 On March 18th, Governor Wolf ordered
8 restaurants and bars to be closed effective at 8 P.M. that
9 evening.

10 On March 22nd, Mayor Jim Kenney issued a
11 stay-at-home order for Philadelphia. I'm going to -- if you
12 don't mind -- gloss over Philadelphia and just talk about the
13 state, the state applies to everything except Philadelphia.

14 On March 23rd to April 1st, Governor Wolf
15 issued the first stay-at-home order for six counties and then
16 added various counties to that up until April 1st each week.

17 On May 8th, the first counties moved from the
18 red phase to the yellow phase to reopen. If you recall that,
19 they started on May 8th and there was about six counties
20 added each week. And they were -- and the last were added on
21 June 5th this year. However, outdoor dining was not
22 permitted in the yellow phase until the first part of June,
23 June 5th. We worked with the Governor's team on that to
24 get -- we thought that was really important to get
25 restaurants open at some capacity.

1 On May 29th, the first of five counties moved
2 from the yellow to the green phase. And the green phase, I
3 have to say, was realistic, common sense, safe, yet sensible
4 reopening standards. And that started on May 29th and
5 continued up until July 3rd, till the last county, Lebanon
6 County, went to the green phase.

7 Unfortunately, on July 15th, two weeks later,
8 restaurants were essentially shut down. They were reduced to
9 25 percent capacity. And as the folks on the line will tell
10 you, it's very unlikely that you can do business at 25
11 percent capacity, so they were essentially shut down again on
12 July 15th. That order was placed on July 15th and took
13 effect eight and a half hours later.

14 On September 21st, restaurants were permitted
15 to return to 50 percent capacity, if they went through a
16 self-certification process with the state.

17 On October 9th, the Administration issued new
18 orders that had to do with capacities and this deals with our
19 private events. Many restaurants have private dining rooms
20 they count on, hotels have ballrooms they count on, and
21 there's a lot of caterers across the state that were
22 tremendously impacted by this, too. On October 9th, there
23 was -- prior to that, there had been a restriction of 25
24 people indoor and 250 outdoor. On October 9th, the capacity
25 was reduced to 20 percent of total capacity and 25 percent

1 for outside events.

2 On November 27th, once again, the private
3 event industry was further mitigated down to 10 percent of
4 space, which essentially shut down hotels, restaurant dining
5 rooms, private caterers, for any sort of business at all.

6 I should point out also on November 25th, just
7 prior to that, the Administration issued a curfew on alcohol
8 sales. This was the Thanksgiving Eve shutdown for alcohol
9 sales beginning at 5 P.M. and continuing until 8 A.M. on the
10 26th.

11 On December 12th -- so we were open at 25, the
12 restaurant industry was open at 25 percent, or 50 percent if
13 you self-certified, at that point in time. On December 12th,
14 the Administration announced that indoor dining would be shut
15 down totally from December 12th to January 4th, the holiday
16 season, the busiest season for most restaurants.

17 On January 4th, indoor dining resumed
18 statewide, with the exception of Philadelphia.

19 On January 16th, indoor dining returned at
20 25 percent of seating capacity, not fire code capacity, in
21 Philadelphia. And that's where we are today.

22 So we're at 50 percent with
23 self-certification. However, I should point out that on the
24 July 15th order, bar seating was eliminated, which is
25 essential to a lot of restaurants that use bar seating for

1 dining. And in addition to that, it was required that a meal
2 be purchased with alcohol, which essentially shut down
3 taverns and a lot of the social clubs around the state.
4 Those restrictions are still in place today.

5 So that's where we are relative to the
6 restrictions as of this time. What I'd like to do is allow
7 our actual restaurateurs to speak, and then I'd be --
8 obviously, I'll stick around and answer any questions you may
9 have about any aspect of this or anything else.

10 So with that, I think you have Chris Sirianni
11 next on your list.

12 MAJORITY CHAIRMAN ROAE: Yeah.

13 Chris Sirianni, the owner of The Brewerie at
14 Erie Station in Erie, PA, if you are ready, you can do your
15 testimony.

16 Oh, yeah -- well, we're going to do questions
17 at 9:30, but we can make an exception for the other Chairman.

18 MINORITY CHAIRMAN GALLOWAY: And Mr. Sirianni
19 is ready?

20 MAJORITY CHAIRMAN ROAE: (Nods.)

21 MINORITY CHAIRMAN GALLOWAY: Okay. Just, if I
22 can go back to Mr. Longstreet for a second.

23 MAJORITY CHAIRMAN ROAE: Go ahead.

24 MR. LONGSTREET: You bet.

25 MINORITY CHAIRMAN GALLOWAY: Mr. Longstreet,

1 look, I appreciate you being here. We all appreciate you
2 being here. We appreciate and understand the problems that
3 you've gone through. And I do appreciate the time line going
4 through step by step what's happened for the last year.

5 What I'm interested in, what this hearing is
6 about, is not what happened; it's what are we going to do
7 now? Going over what happened and putting words on it that
8 favor one side or another, it's just not going to get us
9 anywhere. The question is, "What do we do now?"

10 There are several things on the table that
11 this committee is dealing with and others. We want to know
12 from the restaurant association what you support, what you
13 don't support, and how you want to move forward. Going back
14 over the last year is not going to get us anywhere.

15 I appreciate you being here. I appreciate
16 everybody being here, but I'm here to get something done.

17 Thank you.

18 MR. LONGSTREET: Mr. Chairman, I couldn't
19 agree more with you. I've been through it so many times, I
20 can't even describe it. And every time is equally painful
21 for me, too. And so I couldn't agree with you more.

22 I was asked to provide a time line, that's
23 what I've done. And I will tell you that what the restaurant
24 industry needs now are two things: They need any kind of aid
25 that can come its way. There's a great package that came out

1 of the Senate Appropriations Committee yesterday unanimously
2 that would bring 145 million that the Governor moved from the
3 Unemployment Fund directly to the hospitality industry. I
4 hope all Senators and the House will support that when it
5 gets there. That's Senate Bill 109.

6 We have a whole package of items that we've
7 been working with the legislature on since December to bring
8 relief to the industry and there's not -- but I also said
9 there's not enough money out there to save the industry. And
10 I think the restaurant industry will tell you they also need
11 to be able to operate at safe and sensible levels.

12 And again, I'm not interested in relitigating
13 the past. That does no good to our restaurateurs, but I was
14 asked to describe how we got where we are today, that's what
15 I've described.

16 MAJORITY CHAIRMAN ROAE: Okay. We're going to
17 go into the testifiers now. And I assume both testifiers,
18 restaurant owners, I assume both of them are going to give us
19 information on what we can do to help and, you know, how we
20 can make sure restaurants are operating safely, but that
21 they're also operating profitably, so they can stay in
22 business and employ Pennsylvania residents.

23 So, Mr. Sirianni of The Brewerie at Union
24 Station in Erie, if you're ready, you may testify.

25 MR. SIRIANNI: Yeah. Thank you, Chairman Roae

1 and Chairman Galloway, and the entire committee.

2 John, thank you for leading in and helping put
3 this together.

4 I was also asked to give a little bit of a
5 testimony about what we've been through. I will try to keep
6 it brief.

7 I will say this, we are a full-service
8 restaurant and brewery in downtown Erie, Pennsylvania,
9 northwest corner for those of you who haven't been here.
10 It's important to know that we are a 20-minute drive from New
11 York and we are a 20-minute drive from Ohio, which has come
12 into quite a bit of play for our businesses, our local
13 consumers. That's been a pretty important part of
14 northwestern Pennsylvania with everything going on with these
15 restrictions.

16 We've been in business for about 15 years now.
17 I have a staff of about 50; 20 of those are full-time.
18 Eighteen- to fifty-year-old is kind of our range of
19 employees. We have about a half a million dollar annual
20 payroll. So a medium to large independent restaurant in the
21 heart of downtown Erie.

22 And I will tell you folks, just so you know
23 where I'm coming from, I'm a moderate. I don't pick sides.
24 I'm a reasonable guy, slow to anger, I'm an eternal optimist.
25 I'm just happy to go to work every day and provide for my

1 staff and family. That was me in a nutshell for 43 years up
2 until last March. I'm a different guy right now. And no
3 fault of anybody's in Harrisburg or DC, or no fault of any
4 consumer or anybody on our side or advocates or people
5 fighting with us. It's a bad situation, right?

6 I just have to tell you that at the beginning
7 of this whole thing, I think our industry, I think you folks,
8 anybody listening right now, took this as a very serious
9 issue, which it is. And I think we felt, you know, nobody
10 likes being told what to do as a business owner or the head
11 of a family or, you know, whatever your position might be.
12 But I think it was a patriotic thing to do. I felt like it
13 was the right thing to do, the civic thing to do, to be shut
14 down, to be smart, and to handle this with caution.

15 And I think we did that, folks. I think we
16 did a good job at it overall, as we got this thing started
17 rolling out.

18 And I'll tell you what, one thing that we
19 promoted and we advertised when we got shut down in March,
20 you know, we were saying, just like you guys, "We're all in
21 this together. We're all in the same boat."

22 And I really think, folks, we were in the same
23 boat early on. And the days turned into weeks and the weeks
24 turned into months, and about, you know, a hundred days into
25 this -- we have a calendar with a lot of notes on it -- about

1 a hundred days into this, I think all of us looked at each
2 other, and said, "You know what? We are not in this
3 together. It's the same storm, but we are all in different
4 boats."

5 And unless you know what it's like to lose
6 everything you've built, to lose your livelihood, and to have
7 to turn employees away and not provide for your family, I
8 don't think you can really understand, you know -- and I
9 don't know the makeup of this committee. I don't know if
10 you've always had financial security or always had a job
11 lined up. But when you take that away for the better part of
12 a year, it's devastating and I just can't even put words to
13 describe it. So just kind of understand where we are and how
14 we've felt throughout this, you know, entire process.

15 So I will say just a little bit about this
16 journey. We were blessed with the federal dollars. PPP
17 dollars obviously saved us in that first and second quarter
18 last year. By the grace of God, I think northwestern
19 Pennsylvania had the summer of all summers as far as weather.
20 I think for the most part, I think most of you would agree,
21 Pennsylvania was particularly lucky with our weather. Out of
22 100 days of summer, we had two nights of rain, okay? That
23 was an act of God. And the other was an act of government,
24 that PPP loan.

25 Outside of that, folks, there hasn't been

1 financial help. A year, a year and not a dime from the folks
2 in Harrisburg that have kept us shut down. That's incredibly
3 frustrating. And, you know, I get people saying, "Well,
4 there's loans available." And we did get an (inaudible)
5 loan.

6 But, folks, just for an analogy, if you have a
7 hard time understanding this. Imagine a 15-year mortgage on
8 your house that you pay off, a 25-year mortgage, a 30-year
9 mortgage on your house, and the day you go to pay off that
10 loan, it's gone. Your assets in that house are gone and
11 you've got to start all over again. That's what it's like
12 building a business for 15 years or 20 years or 30 years and
13 one day, just by, you know, an act of nature, it's gone, your
14 equity is gone. And you've got to start to pay that house
15 off all over again. That's what we're going through right
16 now. And that's what people need to understand. We're back
17 at zero.

18 I'm lucky. I'm 43 years old, I can rebuild.
19 I can rebuild the value of my company. I know guys in this
20 industry who are 60, 65 years old, folks, and their business
21 is gone, all right? Their equity is gone, and not only that,
22 they can't even go and sell their business for half of what
23 it's worth if they wanted to.

24 That's what we're sitting at. So, you know,
25 that's why we're fighting like crazy. That's why a lot of

1 restaurant owners are, you know, coming with their
2 pitchforks. Not at you guys, but, I mean, there is a growing
3 frustration out there right now that people are losing
4 everything they have because of this.

5 So again, thank goodness for PPP. I am
6 hearing more that you guys have \$1.3 billion the Governor
7 earmarked. We're excited about that, we're happy about that.
8 But I'll be honest with you, with over 30,000 restaurants in
9 the state, it's not going to go far enough. And it might be
10 a good opening to start, but we need more help. We just need
11 more help and -- financially and the restrictions.

12 I will say, and I'll start wrapping up here
13 because I know Jen has a great story, too. I will say with
14 where we're at right now geographically, people are going to
15 Ohio. I'm telling you right now. People are going to Ohio.
16 I've gone to Ohio just to see what they're doing.

17 And I'll tell you what, they have similar
18 restrictions like we do, but it's not 50 percent, which is an
19 arbitrary number. They have -- they are masked, their tables
20 are six feet and chairs are six feet apart. They are doing
21 everything right. People are comfortable in going out.

22 Fifty percent is an arbitrary number when you
23 have different layouts, different footprints for your
24 restaurant. A fire code does not adequately mean safe
25 seating or lack of safe seating. So I would ask that, you

1 know, that is brought up (inaudible) with the money.

2 And the only other thing I will add to this is
3 the fact that every time we've been shut down -- and this is
4 what needs to be fixed and remedied very quickly -- every
5 time we've had these restrictions for lockdown, whether it
6 was 24 hours before Saint Patrick's Day, 24 hours before
7 Thanksgiving, or just 24 hours before one of our busiest
8 weekends in December, folks, understand that restaurant
9 owners have basically all of their cash flow of revenue tied
10 up before a holiday in the product. You have 10,000, \$20,000
11 in food you cannot return or get credit for. You have
12 \$10,000 in beer, liquor, or wine, you cannot return to the
13 state stores. They will not take it, okay? You have to
14 understand everything is tied up.

15 You know, with a 24-hour notice to lay off
16 your staff, to change your model, to be stuck with product
17 that you cannot sell or return, I don't think you can
18 emphasize how devastating that has been. And that's been the
19 cry. We need notice, ample notice, if that were to ever come
20 again. God willing, we're beyond that, folks. But we need
21 that.

22 And just the fact -- I'll end with this -- the
23 fact that some of us are really enraged is the fact that
24 being shut down right before a holiday with 24-hour notice,
25 knowing that, you know, Harrisburg was without the session,

1 knowing that the Unemployment Office wouldn't be up and
2 running during the holidays, knowing that there was no help
3 for funding, and knowing that there is \$1.3 billion in CARES
4 money sitting in Harrisburg that wasn't meant to balance the
5 budget, it was -- the negligence and the -- it was just the
6 biggest slap in the face of my life, folks. And I can't tell
7 you --

8 And that's just the business side, not to
9 mention laying off 35 people. And they cry, they cry going
10 into the holiday with nothing, nothing -- families and
11 nothing to go back to, no job and no safety net.

12 So, you know, that's what we're looking at. I
13 wish I had a plan for you other than help us with the
14 restrictions, help with the notice, and help with the
15 funding.

16 You know, we appreciate you guys. We know --
17 it's pretty safe to say we're getting to know a lot of
18 people, our Representatives, they're fighting for us. But a
19 lot of it is just like, "I feel sorry for you." And I'd say,
20 "We need more fight, just keep fighting and don't stop.
21 Think of us, think of me and Jen and these other
22 restaurateurs out there, you know, when you make your policy
23 decisions and when you talk to the Governor."

24 So I appreciate your time and thank you very
25 much.

1 MAJORITY CHAIRMAN ROAE: All right. Thank you
2 for your testimony.

3 And just for the interest of the members, at
4 about 9:30, we're going to open it up for questions. If you
5 want to ask a question, make sure you get Jen's attention
6 over here.

7 The next testifier is going to be Jen
8 Fertenbaugh, which is the owner of Cafe Fresco, Level 2,
9 right here in Harrisburg.

10 So if you're ready, Jen, you may go ahead.

11 MS. FERTENBAUGH: Yes. Thank you very much,
12 ladies and gentlemen.

13 Thank you, John, and thank you, Chris.

14 I echo everything that Chris said. He did a
15 fantastic job explaining what it was like over the past year.

16 And to kind of address an earlier question --
17 which we don't want to rehash what happened. I was asked to
18 speak about the financial impact, the lack of assistance or
19 the ineffective assistance, and the impact that it has been
20 on my employees. And I think it's a very important thing to
21 look at what didn't work and why it didn't work in order to
22 develop plans for the future that will be effective and that
23 will help support our industry so that we can survive.

24 So before I get into it, and I'll try to do it
25 as fast as I can, I think it's important to understand how

1 our industry works, how our cash flow works, so that you can
2 understand how to build a package that will support us. We
3 make money in three ways: Food, alcohol, and the service of
4 delivering that food and alcohol. Food is perishable,
5 alcohol semi-perishable, and then the service and the money
6 comes when that service is delivered.

7 I don't have an accounts receivable on my
8 income statement. I don't have money coming in. It sounds
9 insane to be a restaurant owner because we purchase product
10 and we hope we can sell it. So when we are shut down without
11 any notice, we lose all of those things.

12 I pulled some numbers to support what Chris
13 said and to show you how negative of an impact that has. We
14 threw away almost \$12,000 worth of food in the most recent
15 shutdown because we had banked on small events that we were
16 permitted to have, as well as the increased traffic that we
17 would be experiencing during the holidays.

18 In addition to that, one of the most horrible
19 things was the alcohol, especially with the most recent
20 shutdown. We do our alcohol orders two to three days before
21 we pick them up. This is all according to the Liquor Code.
22 We have to do that because we have to pay for it, it needs to
23 be called in, stocked in the warehouse, picked up. It cannot
24 be returned.

25 So on Monday we heard word that we were going

1 to be shut down, so we waited until Tuesday. The Governor
2 came out and said, "Nope, those are rumors. You're not being
3 shut down." We put a \$30,000 worth of alcohol order in.
4 We've had a lot of supply change problems and going into New
5 Year's and the holidays, we serve a lot of wine and more
6 expensive things. We couldn't return that.

7 So at any given time, I have \$30,000 of things
8 sitting on my shelf. If I had been able to sell them at
9 state store liquor prices, I could have turned that back into
10 cash that I could have used to pay the employees.

11 Another thing I would like to share with you,
12 I pulled a P&L and I looked at it by quarter from 2020 and
13 compared 2019. For the year, we are down \$907,282. Ladies
14 and gentlemen, this has been absolutely devastating, not just
15 to us, but to my employees.

16 Restaurants don't have reserves, okay? We
17 operate on a cyclical seasonal cycle that -- pounce on the
18 busy times to make up for the slow times. So it's important
19 to understand that to do that to us, we've had to go into
20 significant debt, especially during the holidays.

21 I find -- it was ethically wrong to put people
22 out on the street that live paycheck to paycheck, so we chose
23 not to do that. My husband and I went into debt to pay the
24 employees. So as Chris -- and I'll echo what he said,
25 imagine working for something your entire life and then

1 having to go into debt. That's a tough pill to swallow. So
2 you have to understand the anger and frustration that's out
3 there.

4 Some things that didn't work, I'd like to talk
5 about, that didn't work. One of the things was the CDFI
6 grants that -- the 330 million that Governor Wolf allocated
7 earlier -- that sounded great in theory, but he capped those
8 at \$1 million in gross revenue prior to COVID. And so in
9 2019, for example, my business did \$2.5 million. I was
10 ineligible for that grant.

11 I want you to understand something. The
12 profit margins of a pizza shop that may have been eligible
13 are actually bigger than the profit margins of a business
14 like mine, one that's more high-end dining. I have employees
15 on my payroll that make \$80,000 a year, like my executive
16 chef. I pay professionals to manage the restaurant. So my
17 profit margin wasn't any bigger, but I was excluded from all
18 of that grant money.

19 Thankfully, I did get the PPP, but that ran
20 out in June. It did its job and it floated us through that
21 shutdown originally, but then that has run out. And to
22 operate at 25 and 50 percent is just an unreasonable thing.

23 In addition to that, I should mention, Level 2
24 is a night club and private event space that's been shut down
25 since the beginning of this. So that's zero revenue coming

1 in from that.

2 The county grants I did receive, and I was
3 grateful for that, but the amount was too little. I mean, we
4 received 32,000. And don't get me wrong, I was grateful when
5 I received that, but that's three weeks of payroll, so that
6 doesn't include cost of goods sold, my alcohol that I have to
7 buy again before.

8 I should also mention, when we throw away all
9 of these things, we can't get insurance -- we can't claim
10 that on insurance losses. There's clauses in our insurance
11 policies for that item, acts of God and viruses. So we
12 received no recouping from those losses and the farms.

13 And the places that we purchased the things
14 from, they have typically a net 14 time when they want paid.
15 So we went into debt with our purveyors. That's bad for the
16 farmers because we ended up having to turn to big box stores
17 to drive around and get things because it's less expensive.
18 And that's the kind of thing that I would never support under
19 non-COVID times, but for us it was about survival.

20 So the financial packages that existed
21 earlier, they didn't work, they were too limiting, and they
22 just weren't enough.

23 Okay, I want to talk about the employees.

24 When you're forced to shut down -- and I'm not
25 going to get into the emotional side of it because that's

1 horrible on its own -- but when you're shut down, employees
2 lose faith in the industry. They leave. So now we're facing
3 a situation where we're actively hiring and I can't find
4 competent people.

5 As the restrictions, God willing, lessen on
6 us, as the weather gets warmer and we can go back to outdoor
7 dining, I can't find good people and train them to work in my
8 business. That's a problem. In addition to that, it's
9 expensive.

10 If any of you work in leadership in your
11 companies, when you have employee turnover, it costs money.
12 Professionals, that number can be as high as, you know, five,
13 six thousand dollars to replace a professional. So there's
14 that expense we're dealing with moving forward. We had
15 employed 40 people pre-COVID; we currently have 12 on
16 payroll. So it's sad. And we have to do something about it.

17 So that's -- you know, I would invite you to
18 come and see me. I'm right around the corner. I'm
19 completely transparent. I want to work on finding a solution
20 moving forward.

21 Yes, I'm angry and frustrated, but right now,
22 what we have to do is figure out how, not just my business,
23 but all restaurants are going to get through this because
24 the, you know, the entire -- it's the second largest
25 industry. We have farmers that rely on us, our sales people

1 rely on us, our communities rely on us, and we have to
2 survive.

3 So I'm open to helping in any way that I can.

4 Thank you for this opportunity.

5 MAJORITY CHAIRMAN ROAE: All right. Thank you
6 for your testimony.

7 For the questions, if you want to ask a
8 question, make sure you get Jen's attention over here.

9 (Indicating.)

10 I'm going to ask the first question. This is
11 probably obviously, but I want it to be on the record.

12 As far as all the different employers that are
13 having people work from home, you know, here in Harrisburg,
14 most of the state employees that work in offices are working
15 from home; locally in Meadville, the DEP Office Building is
16 pretty much empty; in Erie, the Employment Office, the Bureau
17 of Consumer Protection, the different state offices are
18 empty.

19 Can you briefly tell us about the impact --
20 like, coming up with a bunch of money to help the restaurant
21 industry -- it's hard to come up with money, but something as
22 simple as if we could get the Governor to have the state
23 employees come back to work and work downtown, tell us how
24 that would impact your businesses.

25 MS. FERTENBAUGH: Yeah. Thank you for

1 bringing that up. That's a fantastic point and we were
2 discussing it yesterday.

3 Being right on Second Street in Restaurant
4 Row, we are open for breakfast and lunch, as well, and we do
5 counter service. And our lunch and breakfast business is
6 abysmal right now because we rely heavily on foot traffic.
7 So we've maintained -- we've stayed open for the -- again, we
8 made the ethical decision to try to weather the storm and
9 keep our employees on payroll. So it's not probably what's
10 the smartest business decision because we lose money during
11 the day, but you're right, if we could find a way to bring
12 more employees back, that would increase our foot traffic, it
13 would help some of these other small businesses that are down
14 there that are shuttered until this is over and a lot of them
15 for good, just to see people on the street.

16 And they can do so safely because they can
17 come in and get their food to-go. It doesn't make sense at
18 nighttime for me to serve a \$38 steak out of a to-go box.
19 That's not what we do at night. But during the day, we have
20 more to-go orders and people take the food back to their
21 office. Catering, where we can drop box lunches off in a
22 contactless way. That's a great idea that would help
23 increase the foot traffic downtown and also in our, you know,
24 business.

25 MAJORITY CHAIRMAN ROAE: Okay. Thank you.

1 Our next question is going to be from
2 Representative Shusterman.

3 REPRESENTATIVE SHUSTERMAN: Thanks very much,
4 Chairman.

5 To Chris and Jen, I ran my own business. I
6 can't imagine prepared for Saint Patty's Day, buying things
7 that are specific to that day, and not being able to sell
8 those products. And really, no one wants them the day after;
9 they want them the week leading up. Afterwards, people have
10 moved on. So I feel your fury and I'm right there with you.

11 I kind of feel we're at a desperate point.
12 Just bringing back a sector of the population to maybe work
13 here in the House, it's almost like a little drop in the
14 bucket.

15 Is there any way -- and maybe I'm not asking
16 you, Jen, but I'm asking everyone here. I'm new to this
17 committee. We have to approach our Speaker to pass relief as
18 soon as possible. No, that's not going to help you in the
19 last year, it's not going to take away the pain that you've
20 gone through by losing employees, but we have to stop this
21 leak. It's like a dam that has exploded.

22 Our restaurants are what make our area
23 special. I can't tell you -- I want to be in a restaurant
24 again. We're in unusual times.

25 So you need immediate state level help. We

1 have to keep our eye on the next package federally and look
2 at the guidelines, and also communicate to our counties to
3 make sure the grant money is spread over all types and levels
4 of restaurants.

5 So it's less of a question, more of saying,
6 "We're with you." I think we need the financial relief.
7 It's set aside, I think the Governor set it aside.

8 Thank you.

9 MAJORITY CHAIRMAN ROAE: All right.

10 I would like to ask the members to please be
11 very brief with their questions because we have a lot of
12 people that want to ask questions. We're here to hear the
13 testimony of the testifiers.

14 But just one quick note, you know, that
15 \$145 million that we might be able to do something with, you
16 divide that by 26,000 restaurants, that's about \$6,000 each.
17 So I'm not saying I'm against that, I'm all for helping
18 people. But we have to get more people in restaurants eating
19 or more people going there to get food, is the only way we
20 can really help them, I think.

21 But anyway, our next question is from
22 Representative Brooks.

23 REPRESENTATIVE BROOKS: Thank you.

24 I have a lot of restaurants that I go to that,
25 they're even afraid to carry fruit in today's market because

1 if they get shut down, it's gone.

2 So my question is, do you believe the industry
3 has made the right efforts to apply social distancing and
4 follow CDC guidelines to make it safe to eat in restaurants?

5 MR. LONGSTREET: If I may?

6 Representative, thank you for the question.
7 Let me take the lead on that because I've got maybe more of a
8 global perspective.

9 We believe that in Pennsylvania 95 percent of
10 the restaurants have tried to follow the guidelines right to
11 the T, first with the CDC guidelines, then with the
12 Governor's guidelines. And remember, restaurants have been
13 in the business of serving people safely as long as food has
14 been served. They already have more sanitation requirements
15 on them than any other retail business out there. They
16 require certification, there has to be a person on the
17 premises at all times that is certified on the safety, safe
18 serving of food. And that's their livelihood. They're out
19 of business if anybody would ever get sick.

20 There's not a lot of reliable data on this
21 until recently. And really, New York state had the best
22 tracking data that showed that 1.4 percent of the spread came
23 out of restaurants and 74 percent came out of in-home
24 gatherings. Pennsylvania has not been able to track the
25 cases, according to Secretary Levine. So that said, you can

1 tell that restaurants are taking it seriously because they
2 don't have much of a spread, very low, very low compared to
3 anywhere else.

4 So I believe they can do it safely. And the
5 fact that they're doing it safely in other states --

6 And again, not to rehash the past, but the
7 deaths per hundred thousand in Florida are less than they are
8 in Pennsylvania. The case count is similar to what it is in
9 Pennsylvania and yet the restaurants there basically have
10 been fully opened throughout with CDC guidelines. In Ohio,
11 the same thing can be said. They've been at 100 percent the
12 entire time with this, which Mr. Sirianni pointed out, safe
13 guidelines for social distancing and face masking.

14 REPRESENTATIVE BROOKS: So the second part of
15 my question was, do you believe, then, if it's true that
16 you've done all these safeguards, that it's fair that your
17 industry and your industry alone is singled out?

18 MR. LONGSTREET: Yeah, it's -- again, looking
19 back on this, nobody knew what was going to happen. And to
20 say that nobody knew what they were doing would be very safe
21 to say because this is the first time we've ever faced
22 anything like this. So what was trying to be done was to do
23 whatever we could to quell the spread of the virus. I heard
24 Governor Wolf say many times that we have to kill the virus.
25 I respect that.

1 That said, it became clear as more and more
2 statistics were developed over the course of the COVID -- and
3 now a year into it, we have very real statistics on case
4 counts by state and mitigation by state -- that this is not
5 the time to keep mitigating restaurants because restaurants
6 have shown they can control the spread. You hear more and
7 more states saying -- in fact, the mayor of Chicago said, "We
8 need to open restaurants because all of the spread is
9 happening in private parties that are being pushed out of
10 restaurants into homes."

11 So there is a good case to be made that
12 restaurants are part of the solution, not the problem.

13 MAJORITY CHAIRMAN ROAE: All right. Our next
14 question is going to be from Representative Kenyatta.

15 REPRESENTATIVE KENYATTA: Thank you so much,
16 Mr. Chairman, for having this hearing.

17 And, Chris and Jen, I want to thank you for
18 your, you know, for your testimony.

19 You know, I grew up incredibly poor and it's
20 not an understatement to say that restaurants saved my life.
21 My first job was 12, under the table, washing dishes to help
22 my mom pay the rent to stay in our home. And I worked at a
23 restaurant, was a front of house manager, server, host,
24 bartender, cooked in the back, everything. And so the pain
25 that this industry is feeling is something that's deeply

1 emotional to me and to most people if you ask them.

2 According to a lot of research, what most
3 people are worried about is their favorite restaurant
4 closing. It really is, for a lot of people, you know, the
5 central area with which we find community and hold community.

6 Jen, you brought up something that's really
7 interesting to me and it sort of touched on a point that
8 myself and Representative Snyder are working on, was about
9 your business interruption insurance.

10 Can you talk a little bit about that process,
11 about the type of insurance you have -- if you know
12 offhand -- and what it would mean if your business
13 interruption insurance actually covered some of the losses
14 during the times that you were closed?

15 Because you mentioned that right now, you
16 know, act of God, a lot of the insurance companies are
17 saying, "Well, act of God doesn't include COVID." If act of
18 God doesn't include COVID, I don't know what they consider an
19 act of God. And I feel like for folks who have paid every
20 month for your business interruption insurance or other
21 insurance and now you actually need to use the insurance and
22 you can't, I think that's deeply unfair.

23 And so can you just tell us a little bit about
24 what has happened when you looked at the insurance policy and
25 were denied, if you applied or if you were told by your

1 broker to not apply because you would be denied? Can you
2 talk a little bit about that?

3 (No response.)

4 REPRESENTATIVE KENYATTA: Oh, you're muted.

5 MAJORITY CHAIRMAN ROAE: Please unmute and
6 start your answer again. We can't hear you.

7 MS. FERTENBAUGH: Okay. Sorry about that.

8 So I can speak in a general sense. That is a
9 task of my husband and business partner. He could talk more.

10 But I can tell you, we are fully insured for,
11 you know, loss, both on the building and on the business.
12 And the -- I remember looking. The broker initially told us,
13 "There's a clause in almost every insurance policy that
14 excludes viruses," so -- a virus of any sort and that does
15 not protect us from any type of loss.

16 So we actually took it a step further and had
17 our attorney review the policy to see if there was any
18 opportunity to perhaps go after some type of recouping,
19 because this was back in April when it first happened. And
20 our attorney reviewed the policy closely, waited and watched
21 litigation across the country and came back and said,
22 "There's no way. There's no way that they're going to be
23 able to do anything for you."

24 So that's as far as I can speak to that, that
25 we just weren't able -- we couldn't recoup anything, not the

1 lost product, not the -- and not the lost business.

2 REPRESENTATIVE KENYATTA: Well, thank you.

3 And you know, as we continue to have this
4 conversation, John, you and your team, and Chris and Jen,
5 obviously -- well, maybe not obviously, but I've been to both
6 of your restaurants and they're both fantastic. And as
7 myself and Representative Pam Snyder continue to work on this
8 legislation, we'll be in touch. Because, you know, you've
9 done the right thing, you're paid your insurance, and now the
10 insurance companies ought to pay up.

11 Thank you.

12 MAJORITY CHAIRMAN ROAE: You know, one other
13 interesting --

14 MR. LONGSTREET: Thanks for the question,
15 Representative. We would be happy to work with you and we
16 appreciate your support of the industry over the years since
17 you've been in the House.

18 And we have -- our partners at the National
19 Restaurant Association have a tremendous amount of resources
20 on that, too, that can help us with that, as well. So please
21 reach out to Melissa or me. We would be happy to assist in
22 any way we can. It's a really important subject. Thanks for
23 bringing it up.

24 MAJORITY CHAIRMAN ROAE: All right. We're
25 going to move on, but just real quickly, one other

1 interesting thing about insurance policies. Yeah, for the
2 business interruption coverage, most policies say "the direct
3 loss has to be covered for the indirect loss to be covered."
4 So if there's a fire, that's a direct loss, that's an
5 insuring event. The indirect loss, business interruption, is
6 covered, but things like governmental actions are excluded.
7 So if the government says, "You have to shut down," that's
8 not a covered direct loss, so the indirect loss wouldn't
9 cover. So that's a whole other topic.

10 But anyway, the next question -- and,
11 everybody, please be brief with your questions. We still
12 have several people that want to ask questions.

13 Representative Jones is next.

14 REPRESENTATIVE JONES: Thank you, Mr.
15 Chairman. I'll do my best to be brief.

16 I've been living this since April when we
17 started reopening York, my county of York, Pennsylvania. I
18 want to start by offering an apology for the shameful way
19 that our state has treated you folks, your industry, your
20 businesses. You were lied to back in April when we told you
21 that you only had to shut down till the curve was flattened.
22 We reneged on that.

23 Mr. Longstreet -- and you got a lot of folks
24 up here now who all of a sudden are telling you how much they
25 care about you. These are the same folks that voted against

1 every bill we put forward to reopen your industry. We
2 don't --

3 With all due respect to the Minority Chairman,
4 he certainly doesn't want to look back on the time line. I
5 found Mr. Longstreet's time line very helpful --

6 MAJORITY CHAIRMAN ROAE: Representative --

7 REPRESENTATIVE JONES: -- because it proves
8 what I've been saying.

9 MAJORITY CHAIRMAN ROAE: Representative Jones,
10 we have a lot of people, please get to your questions.

11 REPRESENTATIVE JONES: Okay.

12 MAJORITY CHAIRMAN ROAE: I would ask all
13 members --

14 REPRESENTATIVE JONES: So here's the bottom
15 line: We need to start with an apology. We need to start by
16 acknowledging that the people that are leading us are
17 blatantly incompetent, worse yet, they are arrogant.

18 There is not enough money to fix the problem,
19 okay? There's no knowledge of what these people have gone
20 through with food purchases, customer behavior, labor and
21 staffing while the state sent our employees home, as that
22 good Chairman said, still collecting a paycheck. One hundred
23 forty-five million dollars is a drop in the bucket, okay?

24 And the Wolf Administration knew full well how
25 business interruption insurance works. So let's not lay it

1 on their doorstep either. So the Governor has set these
2 people's house on fire and now wants them to beg him to throw
3 a little bucket of water on it.

4 MAJORITY CHAIRMAN ROAE: Excuse me,
5 Representative Jones --

6 REPRESENTATIVE JONES: Here's my question,
7 here's my questions, Mr. Chairman.

8 Is there any way -- and keep in mind, none of
9 this works. Florida's death rates -- we're a 36 percent
10 higher death rate. Is there any way, Mr. Longstreet, for the
11 state, which doesn't have, which is near broke itself, to fix
12 this other than to simply let you reopen, similar to what
13 Florida did? I see no solution here other than to let you
14 reopen or to let 12,000 of your 26,000 restaurants go broke.
15 Is there another solution? Because I don't see it.

16 MR. LONGSTREET: I'll try to make it brief.
17 And you have a good command of the facts there, at least as
18 far as the numbers go, Representative. Thank you.

19 Yes, the -- and I'm not the only one that said
20 this, you're not, everyone has basically said, "There's not
21 enough money to fix the industry." Take 26,800 and divide it
22 by any number and you have a difficult time getting it done.
23 One hundred and forty-five million, as you correctly point
24 out, is not going to solve the problem with \$6,000 a
25 restaurant.

1 There will likely be further CARES Act money
2 coming to the state. Right now President Biden's proposal
3 has very little in there for small business (inaudible) and
4 none for the industry, but it does have a lot for state and
5 local aid. We're going to request \$1 billion from that money
6 that actually gets to the industry.

7 It's been pointed out already, the last
8 1.3 billion did not get out to business. We're going --
9 we're requesting that. We're working with the House and the
10 Senate in Harrisburg to get that done. That's going to be
11 really important. But you're right, the most important thing
12 is to get back to safe and sensible operating standards.

13 And I've heard -- and you've heard two stories
14 today. And I'm really sad to say that I've heard this story
15 hundreds of times over from people like Chris and Jen every
16 night since March 18th. And everyone has said, "All we want
17 to do, John, is operate at a safe and reasonable level and
18 keep our employees on the team."

19 Those 12,000 restaurants you talk about
20 represent 260,000 employees, 260,000 employees that will be
21 out of work permanently if we don't get this solved quickly.

22 MAJORITY CHAIRMAN ROAE: All right.

23 Representative Ciresi is next with his
24 question. And please be brief. We still have four others
25 that want to ask questions.

1 REPRESENTATIVE CIRESI: Thank you. I
2 appreciate it. I'll be as brief as I can be.

3 I want to thank the three of you for
4 testifying. Unfortunately, I haven't been out to Erie to
5 your restaurant, Chris. Hopefully someday. I've been to
6 Jen's a lot, being here in Harrisburg. And, John, we've met
7 multiple times.

8 Comparing us to Florida is like comparing
9 apples to oranges. Florida is an economy that is totally
10 different than Pennsylvania. Florida is an environment that
11 is totally different.

12 I was a Florida resident for 12 years, a proud
13 graduate of the University of Miami, well aware of Florida.
14 And Florida's reporting of the numbers and Pennsylvania's may
15 be totally different also. So we don't know exactly where,
16 when, and how. And doing that comparison gets us nowhere.

17 I have put five bills out -- not one of them
18 has run -- for relief, starting with the first one being in
19 May and April, April and May, got no support. I continue to
20 put these bills out.

21 John, I'm going to get these to you for your
22 help and your support to get this --

23 MAJORITY CHAIRMAN ROAE: Excuse me,
24 Representative. Do you have a question?

25 REPRESENTATIVE CIRESI: I do. Well, Mr. Jones

1 went for a while so I'm just going to make my point.

2 MAJORITY CHAIRMAN ROAE: Well, hold on.

3 REPRESENTATIVE CIRESI: You talked about the
4 \$1.3 billion --

5 MAJORITY CHAIRMAN ROAE: Representative
6 Ciresi --

7 REPRESENTATIVE CIRESI: I have a question.
8 I'm going to ask him right now.

9 MAJORITY CHAIRMAN ROAE: Please ask the
10 question.

11 REPRESENTATIVE CIRESI: Well, thank you. We
12 should cut everybody off.

13 I want to make sure -- the question I have
14 goes back to the alcohol. And I agree with you 100 percent
15 that you should be able to sell that alcohol back to the
16 state or to sell it in the stores. And you alluded to that.
17 How many times did you have that issue with alcohol and how
18 much was it? And I'm assuming that nothing was opened, of
19 course, that you could have sold back.

20 So talk about that for a little bit because I
21 know it's not everything, but it will save you some money on
22 some of these issues.

23 MS. FERTENBAUGH: I can answer that.

24 So when it originally happened, we had the
25 night club upstairs, which is primarily alcohol sales. We

1 had about \$45,000 sitting on the shelves. We weren't allowed
2 to sell alcohol until the drinks-to-go amendment passed,
3 which I believe... It was probably not until right before we
4 were able to open back up, I think maybe early May, maybe --
5 no, in June. So there was about two and a half months there
6 that had I been able to sell that by the bottle, to-go, that
7 would have increased our cash flow.

8 It happened again every time we were shut
9 down. The drinks to-go is nice and that actually, in a
10 business like mine, it helps a little bit at dinner because
11 we sell specialty craft cocktails, but we have to be, look at
12 the whole industry.

13 Most bars that are just pouring basic drinks,
14 they're not selling those to-go. It just really didn't take
15 off like people hoped it would.

16 And in addition to that, it really hurts us
17 because the breweries and the distilleries were able to
18 continue to sell their alcohol, which is great for them
19 because they got really busy while we just sat with our
20 bottles collecting dust. So being able to do that will
21 certainly help, but it's not going to fix the problem. It's
22 just another -- it would just be another component of the big
23 solution.

24 REPRESENTATIVE CIRESI: Thank you.

25 MR. LONGSTREET: If I may, Chairman?

1 I agree with the concept of Florida is not
2 Pennsylvania. I've been told this many times by people in
3 the Governor's Office when I've tried to give them valid
4 statistics to compare, and Georgia is not Pennsylvania and
5 Texas is not Pennsylvania. I tried to get stats that were
6 comparable. That's why we looked at per hundred thousand
7 people.

8 But I can tell you, Ohio is very similar to
9 Pennsylvania. And Ohio has 60, less than 60 percent of the
10 deaths per hundred thousand that Pennsylvania has on COVID
11 cases. And as Mr. Sirianni pointed out, they've been
12 operating at 100 percent capacity with social distancing and
13 face masking almost throughout the pandemic and their
14 restaurant industry is in much, much better shape than our
15 industry is. And for people like Chris, it's caused his --
16 all the people in Erie, my friends in western Pennsylvania,
17 have routinely been going to Ohio to eat throughout the
18 pandemic.

19 MAJORITY CHAIRMAN ROAE: Next question is from
20 Representative Driscoll.

21 REPRESENTATIVE DRISCOLL: Thank you for your
22 testimony.

23 I represent the city of Philadelphia and we've
24 had the struggle of being only 25 percent and we've been shut
25 down longer than other parts of the economy, of the state.

1 And so I'm in the unique position -- I represented the
2 industry for many years in Philadelphia. And I
3 specifically -- not maybe for today, but if you could come up
4 with your list of safe measures that I know you've already
5 given before, we would like to, as a legislature, advocate on
6 your behalf, because as you said, we're all in the same
7 storm, but everybody has a different size boat.

8 So just on behalf of all of you, I feel your
9 pain. I was in the industry for many years. I can't imagine
10 laying people off two weeks before Christmas. It's horrible.
11 We want to help.

12 I do believe we would support that billion
13 dollars coming from the federal government through the state
14 legislature in a bipartisan fashion. So I think at least, as
15 far as I'm concerned, you have a "yes" vote there.

16 And thank you for all you've done to keep
17 everyone safe this past year because I don't think you get
18 enough credit for that. I really don't.

19 MR. LONGSTREET: Representative, if I may?

20 And this is a positive comment here. I
21 haven't been able to make a lot of those, unfortunately.

22 The green standards that were rolled out by
23 the Wolf Administration, as the restaurant industry reopened,
24 were safe and sensible. The Wolf team, and particularly
25 Deputy Chief of Staff Sam Robinson worked closely with PRLA

1 and professionals around the country. I communicated with
2 him many times about the people he was talking to in
3 different states, health professionals, administrations.
4 They came out with very safe, yet sensible reopening
5 standards in the green phase.

6 All we need to do is to go to those standards
7 in Philadelphia and elsewhere and that would allow the
8 restaurant industry some breathing room and they could still
9 serve safely. So that's the answer to the question. I would
10 be happy to forward the green standards that were developed
11 back to you.

12 And I agree with you, Philadelphia has been
13 very difficult. And we have -- we're working just about
14 full-time, one person in Philadelphia, trying to help the
15 restaurateurs there. But as you say, that's for another day.

16 MAJORITY CHAIRMAN ROAE: All right. Next is
17 Representative Jozwiak.

18 REPRESENTATIVE JOZWIAK: Thank you, Mr.
19 Chairman.

20 First of all, I want all of the colleagues to
21 realize that if the restaurant industry is restricted at 25
22 or 50 percent, I don't think this state could operate at 25
23 or 50 percent if we were restricted. This is impossible for
24 these people.

25 So my question -- well, I have a couple of

1 questions, if I may?

2 First of all --

3 MAJORITY CHAIRMAN ROAE: Actually, one
4 question, we're almost out of time.

5 REPRESENTATIVE JOZWIAK: Okay. I'll kind of
6 combine them.

7 With the certification program, how many
8 restaurants are actually certified? I know a lot of
9 restaurant and bar people that I talk to are afraid to be
10 certified because they think if they do something wrong,
11 they're going to get cited or lose their license.

12 And also with that, the seating capacity that
13 you have, if the restaurants are allowed to use their own
14 seating capacity with the social distancing, would that
15 increase your seating capacity in most of your restaurants
16 and bars, including the bar itself?

17 MR. LONGSTREET: Let me give, if I can, a
18 global perspective.

19 First, I believe the number now is about 7500
20 restaurants that have certified. And there's no way I'm
21 going to say that restaurants that certify are any more
22 heavily regulated than those that don't. And we have
23 encouraged restaurants to certify.

24 I will say that the restaurants, when they got
25 that from the Governor's Office, had a fair amount of

1 distrust. And the distrust was probably earned after three
2 very short notice shutdowns. And that's why a lot initially
3 didn't certify, although we've encouraged restaurants to do
4 that.

5 As far as capacities go, we've laid out a lot
6 of restaurants with our members to see what it really is.
7 And the reality of it is that with proper social distancing,
8 as is now in the standards back from the green phase, most
9 restaurants can get about 50 percent. Some can get a little
10 bit more than that, but they can't get to it without bar
11 seating, most of them. And Chris can speak to that. But we
12 laid out a lot of restaurants and that was why the bar
13 seating, socially distanced with proper barriers, was so
14 important.

15 So we're not talking about getting restaurants
16 to 100 hundred percent, even when you put them at 100 percent
17 if you have social distancing and face masking. I haven't
18 seen a restaurant that hasn't been following those guidelines
19 because they recognize how important it is for the safety of
20 not only their guests, but their team members.

21 So with that, I would see if Chris or Jen want
22 to weigh in on the capacity issue.

23 MR. SIRIANNI: I will just add that, to your
24 point, 95 percent of the restaurants, especially in our
25 region, the distancing is going on. There are some outliers.

1 Our -- (Inaudible.)

2 MAJORITY CHAIRMAN ROAE: Okay.

3 Was there a final comment by a testifier?

4 MS. FERTENBAUGH: I can just kind of -- I
5 think I know what Chris was trying to say there.

6 Yeah, I think if -- I want to just say one
7 thing, too, regarding this. The health and safety of our
8 guests is at the center of the success of our business. It
9 always has been. If somebody comes into my restaurant and
10 becomes ill, that is a surefire way to go out of business
11 quickly.

12 So we have, from the beginning -- and any of
13 you who have been at my restaurant I hope have seen this --
14 we take this very seriously. So adding capacity to allow us
15 to have, do the responsible thing, mask up, follow the
16 rules -- we've installed an air scrubber system that purifies
17 the air from our HVAC system. We've done that on every
18 floor. We're doing everything we possibly can to make our
19 guests feel safe. And that doesn't make me special, that
20 just makes me a responsible business owner, which I would say
21 95 percent of the restaurant owners across the state are.

22 The liability of somebody becoming ill in our
23 restaurant is so high. I'm not afraid to carry, to have my
24 servers carry food because we hire people and we train them
25 and instill in them the importance of wearing masks, changing

1 gloves regularly, and sanitizing.

2 And I'd like to conclude with this analogy.

3 If you go into, if you come into my restaurant and you sit
4 down in a booth and you enjoy dinner with your family and you
5 leave, we sanitize the booth, we sanitize everything, and
6 prepare for the next guest so they can safely sit in that
7 booth. That isn't happening if you go to a Sheetz and you
8 order food and you punch on the screen. And I'm not knocking
9 Sheetz. But I'm just making the point that we are regulated
10 highly to begin with, so it's something that we're used to,
11 and it's something that we've now been doing for the last
12 nine months. And I would just love the opportunity to
13 have -- put the responsibility on me to do it safely and
14 right. I welcome that responsibility because caring about
15 the health of my guests is everything.

16 Thank you.

17 MAJORITY CHAIRMAN ROAE: All right.

18 It is a couple of minutes after 10. We do
19 have to end the meeting here because the room is needed for
20 another meeting.

21 So thank you, testifiers, for testifying.

22 Members, if you have questions that were not
23 answered, you can submit them to Jen and she can get them to
24 the testifiers. And thank you, members, for coming.

25 And this hearing is now closed.

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(The hearing concluded at 10:02 a.m.)

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C E R T I F I C A T I O N

I hereby certify that the proceedings are contained fully and accurately in the notes taken by me on the within proceedings, and that this copy is a correct transcript of the same.

Summer A Miller

Summer A. Miller, Court Reporter
Notary Public