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December 18, 2019

Majority Leader Mitch McConnell
United States Senate
Washington, D.C. 20515

AGC KEY VOTE: Vote “YES” on H.R. 1158, the *Consolidated Appropriations Act, 2020*, and H.R. 1865, the *Further Consolidated Appropriations Act, 2020*

Dear Leader McConnell,

On behalf of the Associated General Contractors of America (AGC) and its 27,000 member companies engaged in all facets of the commercial construction industry, I urge you to vote “YES” on H.R. 1158, the *Consolidated Appropriations Act, 2020*, and H.R.1865, the *Further Consolidated Appropriations Act, 2020*. Together, these two bills fund a number of our nation’s infrastructure priorities, extend authorizations for important federal programs, extend a number of tax provisions through 2020, and repeal two punitive healthcare taxes. While AGC appreciates the inclusion of these important priorities and the months of negotiation it took to bring about this legislation, we remain disappointed that additional provisions important to our industry were not included in the final bill.

AGC applauds Congress for providing critical investment in our nation’s infrastructure, which will facilitate economic growth, create jobs, and ensure our global competitiveness. Notably, H.R.1865 adheres to the funding levels for federal surface transportation programs in Fixing America’s Surface Transportation Act (FAST Act) and provides additional resources for highway, bridge, public transportation, and airport projects across the country. This legislation also provides funding for important water resources projects through the U.S. Army Corps of Engineers Civil Works Program and water infrastructure projects through various Environmental Protection Agency programs and Bureau of Reclamation programs. In addition, AGC supports the billions of dollars in funding this measure provides for military construction activities at home and abroad. This funding will enable the construction and improvement of facilities that support the nation’s military and their families.

H.R. 1865 also extends authorization for the Terrorism Risk Insurance Program for seven years, as well as the National Flood Insurance Program for one year. These programs provide an important government backstop for natural and man-made disasters that would otherwise prevent commercial construction projects from moving forward. This legislation also provides a modest increase in funding for federal job training programs including apprenticeship grants and career and technical education (CTE). This increase in funding for workforce education will help to address the ongoing construction workforce shortage while AGC pursues additional policy priorities in this area.

Additionally, the tax title of H.R. 1865 addresses many AGC priorities. These include:

- The extension of three tax provisions utilized and supported by AGC members: the Section 179D energy efficient commercial buildings deduction; the New Markets Tax Credit (NMTC); and the Work Opportunity Tax Credit (WOTC). Together, these tax provisions provide additional opportunities for development and help mitigate the ongoing construction workforce shortage.
- The Setting Every Community Up for Retirement Enhancement (SECURE) Act which expands retirement opportunities and improves the portability of retirement plans, especially for small employers, through multiple employer plans.
- Allowing tax-free distributions from Section 529 college savings plans for certain apprenticeship programs, which can help address the growing workforce shortage in the construction industry.
- Repealing two onerous health insurance taxes—the Health Insurance Tax (HIT) annual fee on health insurance providers and the so-called “Cadillac Tax” excise tax on employer-sponsored health insurance. These measures unnecessarily raise the cost of health insurance on construction employers.

Unfortunately, there are two areas where this legislation falls short. H.R. 1158 and H.R. 1865 fail to fix a drafting error in the 2017 *Tax Cuts and Jobs Act*—the so-called “retail glitch” for qualified improvement property (QIP)—which has resulted in a slowdown in investment in commercial property, such as restaurant, retail, and leasehold improvement property. Additionally, while the legislation addresses pension issues for one sector of the economy, it is a missed opportunity to address the broader multi-employer pension plan funding crisis, and to offer these plans a viable path to avoid future underfunding issues through the inclusion of composite plans.

Because of the overall positive impact these bills will have on the construction industry, AGC reserves the right to record your vote for either or both H.R. 1158 and H.R. 1865 as a KEY VOTE for the education of its members. Thank you for your consideration of this legislation, and I again urge you to vote “YES”.

Sincerely,



James V. Christianson
Vice President, Government Relations

Cc: All members of the U.S. Senate