



Robert C. Lanham, Jr, President
Dan K. Fordice, III, Senior Vice President
Lester C. Snyder, III, Vice President
Jeffrey L. DiStefano, Treasurer
Stephen E. Sandherr, Chief Executive Officer
Jeffrey D. Shoaf, Chief Operating Officer

May 27, 2020

The Honorable Nancy Pelosi
United States House of Representatives
Washington, D.C 20515

RE: AGC Key Vote: VOTE “YES” on H.R. 7010, the Paycheck Protection Program Flexibility Act of 2020

Dear Speaker Pelosi:

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. 7010, the Paycheck Protection Program Flexibility Act of 2020, and to **notify you of our intent to record your vote as a “KEY VOTE” for the education of our members.**

Since the onset of the novel coronavirus (COVID-19) and the resulting aftermath of government-mandated shutdowns or slowdowns of much of the nation’s economic activity, the effect on the construction industry has been profound. According to the most recent jobs report, construction employment declined in April by 975,000 jobs, or 13 percent nationwide. Additionally, according to a recent AGC survey, more than two-thirds (69 percent) of respondents report having a project canceled or delayed since March.

The Paycheck Protection Program (PPP) created as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, has proven to be a popular and significant relief measure for construction firms. According to the aforementioned AGC survey, over 80 percent of respondents have been approved for PPP loans, and a substantial percentage of firms have *added* workers, including some firms that had previously laid off or furloughed workers. This is strong evidence that the program is having a positive impact.

That said, there are several ways that the PPP could be improved, and H.R. 7010 takes significant steps to address some problems that have reduced the program’s effectiveness. The bill would:

1. Extend the “covered period” for PPP loans from eight to 24 weeks;
2. Revise the uses of loan funds eligible for forgiveness from 75 percent in payroll costs/25 percent in non-payroll costs to 60 percent/40 percent, respectively;
3. Create a safe harbor for employers that made a good faith effort to hire or re-hire qualified employees;
4. Extend the maturity of PPP loans from two to five years; and
5. Allow PPP loan recipients to defer payroll taxes through the end of 2020.

Collectively, these legislative changes will go a long way to address several of the concerns that AGC has raised about PPP as it currently exists, improve the program, save construction jobs, and provide greater relief for the many construction firms struggling to survive the COVID-19 pandemic. The association looks forward to working with Congress on additional PPP improvements, including but not limited to the waiver of the SBA's affiliation rules as a component of PPP loan eligibility.

Again, **AGC urges you to vote "YES" on H.R. 7010 and will record the vote as a key vote.**

Sincerely,

A handwritten signature in black ink that reads "James V. Christianson". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

James V. Christianson
Vice President, Government Relations

cc: All members of the U.S. House of Representatives