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February 8, 2018

The Honorable Mitch McConnell
Majority Leader, US Senate
Washington, DC 20510

AGC KEY VOTE—Vote “YES” on Bipartisan Budget Act of 2018, Senate Amendment to H.R. 1892

Dear Speaker Ryan,

On behalf of the Associated General Contractors of America (AGC), I write to express our support for the Bipartisan Budget Act of 2018. The legislation averts arbitrary, across the board cuts to construction programs for two years by lifting the budget caps established under sequestration; provides nearly \$90 billion in sorely needed emergency appropriations for reconstruction and recovery efforts from the 2017 natural disasters; creates an avenue for the appropriation of \$20 billion in additional infrastructure funding over two years; and renews certain tax incentives for energy efficient commercial construction projects. **As such, AGC will record your vote on this legislation as a “KEY VOTE” for the education of our more than 26,000 commercial construction firm membership.**

This legislation begins a process for addressing some needs of the nation’s crumbling infrastructure. By establishing a two year budget agreement and raising the budget caps on defense and non-defense funding, Congress provides a path to return to regular order and pass the annual appropriations bills before the fiscal year deadline. This can help avert: (1) the unfortunate, routine cycle of continuing resolutions that prevent AGC contractors from commencing new federal agency construction projects that our nation’s soldiers, veterans and economy sorely need; and (2) the delays of promised funding increases under the Fixing America’s Surface Transportation (FAST) Act of 2014—the most recent highway and transit reauthorization law—that are indispensable to rebuilding America’s transportation infrastructure.

AGC contractor members are working side-by-side with their fellow citizens in rebuilding efforts in all areas affected by this year’s natural disasters, including Texas, Florida, California, Louisiana, Puerto Rico and the U.S. Virgin Islands. The resources provided in this legislation will help rebuild impacted communities and restore the critical infrastructure for millions of Americans.

This legislation also establishes an avenue in FY 2018 and FY 2019 for additional infrastructure funding, amounting to \$20 billion total. While the needs of our nation’s surface transportation, public facilities and other critical infrastructure are great and require long-term solutions, this is a positive first step. However, Congress and the Administration must continue to work towards those long-term solutions in passing a significant infrastructure bill this year.

Finally, the legislation also renews an important tax incentive for energy efficient commercial construction projects that expired at the end of 2016. Section 179D provides a tax deduction to help offset some of the high costs of energy efficient components and systems for commercial and larger multifamily buildings, and is an effective tool to leverage private capital in the construction of energy efficient commercial construction projects.

Again, AGC urges you to vote “YES” on the Bipartisan Budget Act of 2018 and will record this vote as a KEY VOTE for the education of its members.

Sincerely,

Jimmy Christianson
Vice President, Government Affairs
The Associated General Contractors of America