

Priorities for COVID-19 Recovery

1) Ensure Arizona Continues to Operate – Especially Those at the Front of the Supply Chain

- It is imperative that the construction industry and those that produce essential building materials can operate and supply the work necessary to build and maintain our state’s critical infrastructure. Maintaining these industries is vital to our state’s ability to continue developing and improving public works projects that are essential for delivering needed medical supplies and facilities, food, goods, clean water and energy to the people of the state as we continue to address this pandemic.
- The presence of construction materials at the beginning of the industrial, manufacturing, housing and commercial development supply-chain means our ability to operate directly impacts companies that depend on our raw material output for their manufacturing and construction needs.

2) Arizona Should Guarantee Long-term and Sustainable Economic Growth and Development through Prudent Investments in Infrastructure

- In the coming weeks as Arizonan’s overcome this challenge and the economy starts to rise again it is imperative that policymakers ensure robust and sustainable growth by making needed investments in modernizing our outdated infrastructure through one-time expenditures or consideration for future sustainable funding mechanisms. It is an excellent time to work and complete projects while roads are experiencing lower volumes.
- As ADOT’s budget is likely to experience an approximate 30% revenue decline over the next 18 months due to significant decreases in travel and transit use, the state should consider supporting ADOT by allowing the immediate use of the almost \$50 billion of flexible federal funding to offset the significant revenue shortfalls facing the agency.
- In the short term, these investments will provide new construction and related industry jobs and tax revenue to depleted government coffers. In the long-term, the capital assets constructed would enhance economic productivity for many decades to come by providing more efficient access to jobs, services, materials and markets.
- Considerations should be given to additional ways to responsibly expedite permits for infrastructure and pass measures such as SB1663 the state permitting dashboard (awaiting a hearing in the House Appropriations Committee) to assist in unilaterally keeping track of the state approval processes and support the Federal Administration in providing further resources for the Federal Permitting Improvement Steering Council to increase service capacity in order to move key infrastructure projects forward expeditiously.

3) Provide State Support Necessary for Federally Targeted Relief

- Support Congressional reauthorization of a robust infrastructure funding package and in anticipation of Federal relief packages that includes infrastructure funding, prepare a list of “shovel ready” projects so the money can be utilized quickly.
- ARPA supports establishment of a Manufacturing Resiliency Fund, of at least \$1.4 trillion, that has been proposed by the National Association of Manufacturers, to provide interest-free loans to manufacturers impacted by COVID-19, ensuring financial security for the men and women who produce key products for? Arizona.
- ARPA also supports efforts to stabilize our state and country’s energy and mining industry markets, promote domestic energy and mineral production and call on Congress and the Administration to continue efforts to purchase oil to refill the nations’ Strategic Petroleum Reserve and expand or enhance the Strategic Minerals Initiatives.

- Congress should enact Small Business Interruption Loans to provide continuity of employment through business interruptions experienced by our Associate members who are small businesses responsible for supplying aggregates, ready mix and asphalt in many communities across the state and nation.
- The programs that the CARES Act set in place have been overwhelmed and depleted. In just days, Bank of America and Wells Fargo received applications for over \$40 billion in SBA loans under the Paycheck Protection Program (PPP), signaling that demand is indeed great. There is little question that the \$349 billion allocated for the program will run out in a matter of weeks, if not days. The PPP clearly fills an important gap, but it is also undeniable that the economic hardship is greater than expected, and broader sectors of the economy will desperately need help, as well.
- Congress and the Administration should thoroughly review all tax policies and provide immediate relief by:
 - Delaying all scheduled federal tax payments (including quarterly payments of estimated tax for all businesses) for 90 days by waiving interest and penalties that would otherwise apply.
 - Enact legislation that allows companies to defer taxation on income from loan modification, forgiveness or cancellation.
 - Congress should enact legislation that reduces to 2018 levels the base erosion and anti-abuse tax.
 - Provide a tax credit for employers who continue to pay workers who are quarantined or workers during periods that a business is forced to close temporarily and enhance tax deductions for employers who invest in safety equipment, including handwashing stations, respiratory equipment and cleaning products.
- Arizona should strongly urge Congress and the Administration to provide a long term and sustainable reauthorization of our nation's surface transportation programs and robust funding to improve our waterways, ports, airports, rail and transit networks and energy infrastructure. Doing so will remove the threat of shutting down our nation's highway programs and provide a needed stimulus that will position our country for more economic growth, provide millions of family-wage jobs and greatly improve the lives of all Arizonan's and Americans.

4. Other Ideas for Restarting the Arizona Economy

- Support continued state business assistance through the Arizona Commerce Authority as they address the expected and unexpected ramifications of the impending recession and impacts on industry.
- Support and adopt any extension the FMCSA declaration of safely managed gross vehicle weight exemptions for construction sector commercial vehicles until the end of the year.
- Promote affordable housing initiatives by adding incentives for home buyers, which could include first time home buyers or with some parameters. The purpose would be to create some relief for three years on state income tax on the first \$50k of income. To restart the construction economy, the single-family residential sector makes up a large portion of the construction economy.
- Expand access to credit for businesses to the extent possible. Pushing for more small business loans is critical. There will be several businesses that will not be able to "cash-flow" themselves out of this financial challenge. Given the uncertainty of the recovery timing, this issue is critical.
- Focus on efforts to translate displaced workers in sectors ready to go in order to put people and the economy back to work.