



December 28, 2020

The Honorable Steven Mnuchin  
Secretary  
U.S. Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

The Honorable Jovita Carranza  
Administrator  
U.S. Small Business Administration  
409 3rd Street, SW  
Washington, DC 20416

On behalf of Associated Builders and Contractors, a national construction industry trade association with 69 chapters representing more than 21,000 members, I write to urge immediate action to provide critical guidance on the newly passed COVID relief legislation that renews and expands Paycheck Protection Program (PPP) loans.

Now that the president has signed into law H.R. 133, Coronavirus Response and Relief Supplemental Appropriations Act, PPP loans will provide our nation's nonprofits and businesses that have been impacted by the ongoing pandemic the ability to provide paychecks for their employees and cover other critical expenses. Under Section 303 of the new law, the Administrator has 10 days after the date of enactment to issue regulations. To ensure the effectiveness of the PPP and that eligible businesses and nonprofits have critical access to these loans, it is imperative that the U.S. Small Business Administration and U.S. Department of Treasury issue clear, concise guidance on the newly reauthorized and expanded PPP to provide businesses and nonprofits with the certainty they deserve to access these funds if needed.

Following passage into law of the CARES Act in March, the PPP suffered from a lack of clarity and on-the-fly guidance from the administration that froze out many small businesses that needed these loans. As we continue to see spikes in COVID cases throughout the United States and states and local governments issue new measures to slow the transmission of the dangerous virus, it is necessary that substantive new guidance is issued in a timely manner to ensure certainty and eliminate confusion for this new round of funding.

Among the most pressing issue for ABC and our members is clear guidance on the expansion of PPP to 501(c)(6) organizations. ABC state and local chapters have been impacted by COVID-19 and advocated for the inclusion of 501(c)(6) organizations in this new round of PPP funding to ensure that they can continue to provide essential services for their members and the construction industry. While H.R. 133 provides eligibility requirements focused around "lobbying activities," the issue is not clearly defined and requires clear interpretation from SBA and Treasury. To ensure the eligibility of deserving 501(c)(6) organizations that are in need of PPP loans, ABC urges SBA and Treasury to:

1. Clearly define 501(c)(6) nonprofits "receipts from lobbying" as revenue generated by the nonprofit for the express purpose of financing lobbying activities;
2. Define "lobbying activities" as having the same meaning as set forth under the Lobbying Disclosure Act; and

3. Clarify that the timeframe parameters for the third criterion (the most recent tax year that ended prior to February 15, 2020) should also be used as the period for measuring the organization's percentages of expenditures and receipts relating to "lobbying activities" under the first two criteria.

ABC also remains concerned about the SBA's Loan Necessity Questionnaire for PPP loans of \$2 million or more and urges SBA and Treasury to rescind these questionnaires immediately. While we support and understand the need for the agency review process, we must avoid undue burden on borrowers and lenders, possible bias and subjectivity, or concerning departures from requirements borrowers and lenders understood from the statute and original implementing guidance. ABC believes that the new Loan Necessity Questionnaires does not achieve this appropriate balance and would further limit the efficacy of the new round of PPP loans.

ABC and our more than 21,000 members appreciate your consideration of these important issues for the construction industry and look forward to continuing to work with Congress and our federal agencies on additional critical relief and recovery efforts.

Sincerely,



Kristen Swearingen  
Vice President of Legislative & Political Affairs