January 2, 2014

The Honorable Hal Rogers
Chair, House Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Barbara Mikulski
Chair, Senate Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chairman Rogers and Chairwoman Mikulski,

With the current continuing resolution (CR) for fiscal year 2014 set to expire on Jan. 15 and the budget conference having agreed to top-line spending levels, the Associated General Contractors of America (AGC) strongly urges you to recognize the importance of continued investment in our nation’s federal infrastructure and facilities, including allowing for new projects to be started as you work towards a final fiscal year 2014 omnibus appropriations bill.

We are encouraged that the budget agreement has provided appropriators with spending levels in fiscal years 2014 and 2015 that will provide an opportunity to analyze federal spending priorities. The breakdown of the traditional budget and appropriations process has had a direct impact on the construction industry. AGC has consistently urged a return to regular order. We hope that the spending caps provided to you will increase the chances of Congress passing an omnibus appropriations bill for fiscal year 2014, instead of another continuing resolution that would continue to prohibit new federal construction starts and allow further indiscriminate cuts through sequestration. The prohibition on new starts has stark and real impacts, for example:

**Military Construction & Veterans Affairs** – The prohibition prevents the new building of facilities necessary to protect and train our troops at bases within the U.S. and abroad, as well as projects ranging from family housing to hospitals, promoting service member retention and improving overall quality of life. In addition, new veteran’s healthcare facility projects would be put on hold, just as our troops are returning from overseas with both physical and mental wounds after over a decade of war.

**Army Corps Civil Works** - Putting off U.S. Army Corps of Engineers flood control projects today may lead to further storm damage tomorrow, which adds costs—in both dollars and lives. Investments in flood control projects have prevented an estimated $22.3 billion in average annual damages from coastal and river flooding. These projects have prevented an estimated $706 billion in flood damages in the last 25 years. For every $1 spent on flood control, about $6 in potential damages has been saved. Prohibiting the start of these projects does not make economic sense.

**Department of State** – Continuing the prohibition on new starts could prevent the Department of State’s Bureau of Overseas Building Operations from building new, more secure facilities for our nation’s Foreign Service officers.
In addition, we encourage the appropriations committees to continue to recognize the importance of federal transportation investment—as both Senate and House Transportation Housing and Urban Development appropriations bills did—and provide MAP-21’s authorized levels of $40.3 billion for federal-aid highway investment and $10.7 billion for public transportation.

As you work to complete the fiscal year 2014 appropriations process, we urge you to avoid further cuts to federal construction programs. Our industry experienced $4 billion in cuts through sequestration. Those cuts—as well as others since 2010—came from programs with obvious federal interest and federal benefit, including but not limited to the Department of Defense military construction, the Department of Transportation, clean and safe drinking water state revolving funds and the General Services Administration’s public buildings construction account. This poor planning and budget cuts coupled with the current prohibition on new project starts are bad policies that tend to waste money rather than save money in the long term. In addition, poor government planning makes it more difficult for the construction industry to rebound after the last recession.

As such, we urge Congress to take advantage of the guidance in the budget deal to fund both fiscal 2014 and 2015. Congress must use this opportunity to identify and prioritize construction investments to ensure that America’s aging infrastructure and facilities receive required maintenance and expand to meet growing economic and population demands. These decisions will lay the foundation for our nation’s economic growth.

Thank you for your consideration of this important matter.

Sincerely,

Jeffrey D. Shoaf
Senior Executive Director, Government and Public Affairs

cc: House Committee on Appropriations
    Senate Committee on Appropriations