



March 20, 2020

Dear Speaker Pelosi, Senate Majority Leader McConnell, Senate Minority Leader Schumer, House Majority Leader Hoyer, and House Minority Leader McCarthy:

As the heads of the major trade associations representing automobile manufacturers, and suppliers, we write to express our strong support for swift action by Congress and the Administration to confront the economic slowdown being caused by COVID-19. We are closely monitoring supply, sales and service for impacts to our membership as well as consumers.

At present, we are already seeing a steep drop in retail sales over the last ten days, as well as significant disruptions in production, including temporary closures of numerous manufacturing facilities, while dealers and service centers largely remain open. Just to underscore the current environment, J.D. Power now forecasts March sales will drop as much as 41 percent from a year ago.¹

Our overall focus remains on ensuring that our collective workforce, our customers and the nation are safe and have a path to economic recovery. We have also identified key actions that Congress and the Administration can take now to help the overall economy, including the automotive industry, to ensure that sufficient liquidity remains available in the markets to support businesses, should this public health crisis continue to escalate and further impact our workers, customers, and daily operations.

To that end, we join other business organizations, like the U.S. Chamber of Commerce, individual companies, and several of our nation's Governors in supporting proposals such as the creation of credit facilities to provide loans and loan guarantees to employers with more than 500 employees experiencing loss of revenue due to COVID-19. We would strongly encourage policymakers at all levels of Government to examine both this and other proposals, to ensure critical financial resources and loan programs remain available for businesses that are impacted by the public health emergency, including small businesses with less than 500 employees.

With recent production suspensions and other workforce disruptions, we would also encourage Congress and the Administration to build on the recently enacted stimulus package by considering the following proposals as you work to craft the next stimulus package:

- Ensure that businesses with more than 500 employees that provide paid leave for their employees due to COVID-19 are able to receive a tax deduction or credit to maintain their workforce;

¹ <https://www.autonews.com/sales/us-sales-pace-plunges-outbreak-spreads-jd-power-says>

- Delay or defer 2020 quarterly federal tax payments;
- Temporary Employer Payroll Tax holiday
- Expand and extend expensing for equipment and machinery; and
- Delay the June 1st date of entry into force for the USMCA.

Enacting these policies would help moderate the impact of the economic situation our nation faces which will assist businesses and workers as we work to get various parts of our economy moving again in the coming weeks and months.

Our industry, which represents over 10 million workers, is a critical component of the U.S. economy, and we are working with federal and state authorities, public health experts and other stakeholders to continue operations where possible while monitoring public health in facilities to protect our workers. As one of the largest components of our nation's critical manufacturing sector, the auto industry understands our responsibility to the national economy and continuity – as well as our workers, customers and overall public health and safety. Consistent with the recent guidance released by the U.S. Department of Homeland Security, we will continue to engage with federal, state and local authorities to maintain these critical national functions while following the guidance of public health experts².

This is an unprecedented moment in our nation's history – one that will present new and difficult challenges to every corner of society. We are committed to working with you and other stakeholders as this situation evolves and will continue to support your efforts in protecting both the physical and economic health of all Americans.

Thank you for your ongoing efforts to pass critical legislation on behalf of the American people.

Sincerely,



John Bozzella
President and CEO
Alliance for Automotive Innovation



Bill Long
President & CEO
Motor & Equipment Manufacturers Association

² <https://www.cisa.gov/publication/guidance-essential-critical-infrastructure-workforce>