May 20, 2020

The Honorable Elaine L. Chao
United States Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Dear Secretary Chao:

On behalf of the Association of Equipment Manufacturers (AEM) and the more than 1,000 member companies, thank you for your continued leadership during the COVID-19 pandemic. U.S. equipment manufacturers are proud to be a part of an industry that supports 2.8 million jobs, contributes $288 million to U.S. GDP each year, and plays a critical role in the construction and maintenance of our nation's infrastructure assets.

We want to take this opportunity to highlight some of the needs our industry is facing during this difficult time and urge you to provide decisive action and strong leadership in making long- and short-term investments in our surface transportation network. As the Trump Administration and the U.S. Congress continue to work on policy solutions that will help drive the economic comeback, we urge you to consider the impact that the COVID-19 pandemic is having on the U.S. equipment manufacturing industry and explore policies that will support equipment manufacturers, their workforce, and their communities.

As an industry that has been deemed essential, equipment manufacturers, suppliers, and distributors have proudly remained in operation throughout the COVID-19 pandemic to serve critical sectors of the economy, including agriculture, construction, forestry, mining, and utilities. However, our industry, like many others, is facing prolonged economic uncertainty. In a recent survey of AEM member company CEOs, more than half of executives indicated that the COVID-19 pandemic is having a very negative impact on the industry. In addition, nine out of ten CEOs pointed to plummeting demand for equipment as the primary challenge facing their businesses.

In the same survey, eight out of ten CEOs indicated that they would like to see significant investment in our nation’s infrastructure to create demand for equipment and set the stage for economic comeback. With that in mind, AEM has been calling on Congress to provide $50 billion to state departments of transportation to fill revenue gaps
caused by the COVID-19 pandemic in order to prevent critical projects from being postponed or cancelled. At the same time, we continue to push for a fully funded, multi-year surface transportation reauthorization to provide the long-term certainty states need to pursue much needed infrastructure construction and maintenance projects.

Please consider AEM and the equipment manufacturing industry as a resource and steadfast partner as you continue the important work of opening up our economy and laying the groundwork for the economic comeback. We appreciate the opportunity to share our perspective on this important topic and thank you for your continued leadership.

Sincerely,

Jeffrey R. Reed  
2020 AEM Chair  
President & CEO  
Reed International / VSS Macropaver

Rod Schrader  
2020 CE Sector Board Chair  
Chairman and CEO  
Komatsu America Corp.