April 29, 2020

*** Today AEM released the findings from a survey of member company executives on the impact of the COVID-19 pandemic on equipment manufacturers. ***

The 105 respondents (presidents, CEOs, and owners of leading equipment manufacturers) weighed in on the effects on the economy, the industry, their companies, supply chain and manufacturing operations, financial expectations, as well as the challenges they face and specific ways the federal government can keep equipment manufacturing strong and ensure the nation’s economic resilience.

One finding clearly stands out: Nine out of 10 respondents cited a decline in demand for equipment as the primary impact of the COVID-19 pandemic on their business.

Another finding that is worth noting: The respondents overwhelmingly agreed on the same three challenges with respect to the COVID-19 pandemic: the financial impact on the business; employee health and well-being; and cancellation and delayed orders.

Key findings from the survey include:

- Nine out of 10 executives surveyed said that the impact of the COVID-19 pandemic on the overall economy is very negative, while more than half said that the impact on the industry is equally bad.
- Seven out of 10 executives surveyed have experienced a moderately negative impact on their supply chain, while a quarter said the impact has been very negative.
- Four out of 10 executives surveyed expect the outlook for the next 30 days to get worse and said they plan to lower their financial outlook for the same period of time by more than 30 percent. The outlook for the rest of the year is better, but six out of 10 said they still plan to reduce their financial outlook by up to 30 percent.
- Nine out of 10 executives surveyed cited a decline in demand for equipment as the primary impact of the COVID-19 pandemic on their business.
- Executives surveyed pointed to the financial impact on their business, the continued health and well-being of their employees, and cancelled or delayed orders as the greatest challenges they face.
- Eight out of 10 executives surveyed said they would like to see a significant investment in infrastructure to help keep equipment manufacturers in business during the crisis and set the stage for the economic recovery.
In a press release announcing the findings, AEM’s Dennis Slater said more was needed from Congress to help our industry and jumpstart the economy. “While quick bipartisan action in Congress, including the creation of the Paycheck Protection Program, has helped many equipment manufacturers to date, this survey makes it clear that our member companies need continued support to keep the lights on and workers on the job. The vast majority of them want Congress to prioritize infrastructure investment to help support equipment manufacturers and rebuild the economy,” said Slater.

We have created a 1-pager that highlights the key findings of the survey, and will use this and a suite of graphics and other resources to educate reporters, Congressional staffers, White House staff, industry partners, I Make America grassroots supporters, and the general public about the impact of the COVID-19 pandemic on our industry.

We will continue to keep you updated on how we are deploying the survey and will share reactions and additional news coverage in the days ahead.

Here are some of the day’s other developments:

**SBA Announces Review Procedure for PPP Grantees Over $2 Million**

In order to ensure Paycheck Protection Program (PPP) loans are rightfully going to struggling small businesses and their hardworking employees, U.S. Treasury Secretary Steven T. Mnuchin and Small Business Administrator Jovita Carranza announced review procedures for any company who receives a PPP loan over $2 million. Mnuchin and Carranza say in their announcement, “We have noted the large number of companies that have appropriately reevaluated their need for PPP loans and promptly repaid loan funds in response to SBA guidance reminding all borrowers of an important certification required to obtain a PPP loan. To further ensure PPP loans are limited to eligible borrowers, the SBA has decided, in consultation with the Department of the Treasury, that it will review all loans in excess of $2 million, in addition to other loans as appropriate, following the lender’s submission of the borrower’s loan forgiveness application.” Guidance to implement this procedure will follow in the coming days.

**State Activities**

AEM has been monitoring activities taken by Governors as they continue to issue closure and reopening orders. We are in close contact with their staff to make the case that our industry is establishing health and safety protocols to protect both employees and customers.

Notable for today’s update is that the Governors of Louisiana, Maine, and Massachusetts have extended the duration of the previous stay at home orders. The Governors of New York and Ohio announced the indicators needed before reopening their states. The Governors of Missouri, Tennessee, Texas, and Utah announced the resumption of limited operations for certain businesses. The Governor of Washington issued further health and safety guidance for construction businesses to begin limited operations.
Now that state governments are transitioning into re-opening strategies, we are providing a new U.S. map showing when state shelter-in-place orders and stay-at-home advisories expire.

For all of the latest information, please visit our dedicated state by state tracker.

Canada Activities
Today’s highlights and updates from Canadian provinces include:

- **Newfoundland and Labrador**: The province has announced compensation for private sector employers for continuation of pay to employees who were required to self-isolate for 14-days due to the COVID-19 travel restrictions.

- **Ottawa**: The House of Commons is set to debate legislation to implement previously announced supports for students. Deliberations continue between the Government and Opposition parties as to the precise details of the package.

- **Quebec**: The province has announced that the entire construction industry will reopen as of May 11, 2020. Jobsites will resume activity in every sector of the construction industry, namely public transportation and roadworks, residential, institutional, commercial and industrial. Overall, three types of businesses will be allowed to reopen in May:
  - Stores not including those in shopping malls
  - Construction and civil engineering businesses
  - Manufacturing businesses
We continue to update our resources on Canadian activities on AEM’s COVID-19 resources page. You can also click here for the latest updates from Ottawa and all the provinces.

Do you have questions or need to get a hold of AEM’s Advocacy Team? E-mail our Response Team at responseteam@aem.org with any questions or feedback.

As always, if you have any questions about AEM’s ongoing efforts, need assistance with a specific issue, or would like to share how the unfolding COVID-19 pandemic is impacting your business, please do not hesitate to reach out to me at keideberg@aem.org.

Best,
-Kip

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