Negotiations On Next COVID-19 Relief Bill Extend into August

Urgency continues to rise in Washington as several critical federal relief programs are in jeopardy, including the eviction moratorium, cuts to unemployment benefits, and the potential end to important loan programs for businesses impacted by COVID. After failing to agree on relief legislation last week the $600-per-week supplemental unemployment benefit expired and lawmakers largely agree it will need to be reauthorized in some fashion. Discussions are expected to continue this week between Senate Republicans, Democratic Congressional leadership, and the White House and will likely focus on reconciling the Senate Republican plan, known as the HEALS Act, and the House proposal, passed earlier in May, HEROES Act. The House proposal has been criticized by many Republicans that indicate the estimated cost of the legislation, approximately $3 trillion, is unworkable. Many Democrats contend that the HEALS Act falls
short and does not provide enough relief for struggling Americans. Notably, the HEROES Act includes important funding for infrastructure projects while the HEALS Act omits relief for state departments of transportation that have been significantly impacted by lost revenues caused by the pandemic. However, the HEALS Act would allow for more “flexible use” of the $150 billion provided to states in the $2 trillion Coronavirus Aid, Relief, and Economic Security or CARES Act signed into law in March.

Although the HEALS Act includes temporary COVID liability protections that are critical to the construction sector, several construction related organizations have highlighted the need to include additional funding to get many green-lighted infrastructure projects back on track. Congressional leaders have indicated a willingness to stay in Washington until a deal is struck. Over the weekend, House Majority Leader Steny Hoyer announced that, “no one should schedule themselves for next week or until such time as we adopt COVID-19 legislation.”

ASCE Highlights America’s Construction-Ready Infrastructure Projects

There are hundreds of infrastructure projects ready to be built and awaiting federal funding, which would put thousands of people back to work. On July 29th, the American Society of Civil Engineers released a map which highlights many of these projects. The ASCE map focuses on 50 projects that could be completed if Congress were to pass a comprehensive infrastructure package. “At a time when people are confined to their homes, need jobs and with low interest rates for project funding, we have an opportunity to fast-track construction, but America is stuck until Congress acts,” said ASCE President K.N. Gunalan in a statement. The United States has seen employment sectors, alongside municipal and state budgets devastated by the COVID-19 pandemic. State DOTS saw revenues drop by 14% through June 2020 when compared to the previous year; meanwhile the National League of Cities reported that 65% of cities have been forced to delay or cancel capital expenditures and infrastructure projects. The list from ASCE serves to address construction-ready infrastructure projects covering the sorts of dams, inland waterways, clean and drinking water, and multimodal freight – all of which can break ground in the near term and put people back to work.

“It is always easier to make a successful case for investing in infrastructure when discussing specific projects,” Brian Turmail, vice president of public affairs for AGC, told ENR via email. He added that: "Most Americans don’t get excited about the general notion of improving infrastructure. But every one of them has a particular piece of infrastructure, whether a congested stretch of highway, a failing water system or other piece of infrastructure they are aware of, worry about and would love to see improved."

SFAA Co-hosts Webinar with Associated Builders and Contractors on the Impact of COVID-19 on the Surety Industry

The webinar is now available for members to watch here. With over 200 industry professionals registered - ABC’s President Mike Bellaman moderated a panel with industry leaders Michael Gross of CNA Surety, Steve Nelson of Markel Surety, and Thomas McClellan of Zurich Surety. The webinar featured a robust Q&A about the future of the surety industry and what to expect in the coming months. When the panel was asked to compare this recession to the 2008 recession, they agreed that the United States was better prepared for this recession, but expects the recession to hit construction in six to eighteen months. Panelists agreed that there was a significant increase in collaboration among trade associations during this pandemic. The panel also provided advice to contractors during the webinar, urging them
to remain transparent and to be prepared for an unknown future, particularly as it relates to supply chains. In their final remarks, Mike asked the panel about the future of the surety industry and all unanimously agreed that over time, surety would make a full recovery and will likely continue to be a soft market going forward.

Save the Date for the following Committee meetings via Zoom and the 2020 Commercial Surety Seminar

Surety Claims Advisory Committee – September 2\textsuperscript{nd} 1pm-3pm
Commercial Surety Advisory Committee – September 10\textsuperscript{th} 1pm-3pm
Contract Bonds Advisory Committee – September 17\textsuperscript{th} 1pm-3pm

The meeting materials and agendas will be posted on the website next month.

**Monday, October 12, 2020 – Friday, October 16, 2020**
The SFAA, with the Commercial Surety Advisory Committee Education Subcommittee, is holding the 2020 Commercial Surety Seminar virtually online. The Seminar will consist of Fundamentals and Intermediate programs held concurrently Monday through Thursday. The program on Friday will cover COVID-19 issues and the impact of the pandemic on the economy and the surety industry. More details will follow. Please note that the Fundamentals and Intermediate classes may be limited to 25 participants each to facilitate full engagement and robust discussions.

Updated Resources Available to Members

SFAA has posted state tracking reports for adopted regulations which can be found [here](#) and enacted legislation which can be found [here](#). These will be part of our quarterly reporting moving forward.

The New Bond Requirements can be found [here](#).

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