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HOUSE PASSES ECONOMIC RECOVERY PACKAGE -

Contractors Mobilized to Generate Action in Congress

Washington, D.C.--The House today passed its version of the Emergency Economic Stabilization Act (EESA) of 2008 by a vote of 263 to 171, welcome news to the Associated General Contractors of America (AGC). The bill now goes to President Bush, who is expected to sign it promptly.

The package, which the Senate passed on Wednesday, 74-25, includes the financial-market rescue provisions that the House rejected on Monday, plus an increase in FDIC insurance coverage to a maximum of \$250,000. The Senate also extended numerous expiring business and energy tax provisions, kept the alternative minimum tax from increasing in 2009, and added disaster assistance.

"We have been calling on Congress to act in order to open up America's credit markets, protect small businesses, stave off job losses and feed money back into the economy," said Stephen E. Sandherr, chief executive officer of AGC. "In the last week, AGC members generated an unprecedented number of letters to their Senators and Representatives because Congressional inaction was affecting their businesses."

Highlights of the package include:

- Stabilizing the Economy: EESA provides up to \$700 billion to the Secretary of the Treasury to buy mortgages and other assets affecting the balance sheets of financial institutions and making it difficult for families and businesses to access credit.
- Homeownership Preservation: EESA requires the Treasury to modify troubled loans wherever possible to help families keep their homes.
- Mark-to-Market Accounting: This provision gives the SEC the authority to suspend mark-to-market accounting for any type of security, but doesn't require the agency to act.
- Taxpayer Protection: EESA requires companies that sell some of their bad assets to the government to provide warrants so that taxpayers will benefit from any future growth in these companies as a result of participation in this program.
- No Windfall for Executives: In order to participate in this program, companies will lose certain tax benefits and, in some cases, must limit executive pay. In addition, the bill limits

"golden parachutes" and requires that unearned bonuses be returned.

- Strong Oversight: Rather than giving the Treasury all the funds at once, the legislation gives the Treasury \$250 billion immediately, and then requires the President to certify that additional funds are needed (\$100 billion, then \$350 billion subject to Congressional approval).
- Temporary Increase in Deposit and Credit Union Share Insurance Coverage: The provision increases the maximum amount of FDIC deposit insurance coverage from \$100,000 to \$250,000 per account, and provides the same increase for credit union deposits. The changes are effective upon enactment and expire on December 31, 2009.

The House package also includes AGC-supported tax provisions including extensions of the Production Tax Credit for Alternative Energy Investments and the Targeted Relief for Investments in Real and Personal Property.

The Associated General Contractors of America (AGC) is the largest and oldest national construction trade association in the United States. AGC represents more than 33,000 firms, including 7,500 of America's leading general contractors, and over 12,500 specialty-contracting firms. More than 13,000 service providers and suppliers are associated with AGC through a nationwide network of chapters. Visit the AGC Web site at www.agc.org.

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