



U.S. CHAMBER OF COMMERCE

July 24, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Charles E. Schumer
Minority Leader
United States Senate
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
1705 Longworth House Office Building
Washington, D.C. 20515

Re: Extension and Funding of Section 3610

Dear Congressional Leaders:

The undersigned organizations are writing on behalf of our members in connection with relief efforts in response to the COVID-19 pandemic. Our members, representing thousands of government contractors across the United States, very much appreciate the bipartisan leadership of Congress reflected in the enactment of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136), and specifically, the inclusion of Section 3610, which authorized the reimbursement of extraordinary and unanticipated government contractor costs arising from COVID-19. Section 3610 is necessary to maintain in ready state a strong industrial base that is necessary for the continuity of government operations during this national emergency.

The authority granted under Section 3610 extends only until September 30, 2020. Since the enactment of the CARES Act, however, it has become clear that the rationale for enacting the section still exists and will continue to exist into the next government fiscal year. As a result, government contractors are continuing to face the same “ready state” workforce sustainment challenges that justified the enactment of Section 3610. For this reason, on behalf of our members, we ask that you adopt an extension of the authority established under Section 3610 of the CARES Act to at least December 31,

2020. Such an extension will support the continuity of government operations while preserving the option to assess the impact of COVID-19 on federal operations in the new fiscal year.

In addition, during the implementation of Section 3610, several agencies raised concerns about the absence of program funding to support the section's sustainment authority. The CARES Act did not directly appropriate funds to reimburse agency payments made pursuant to Section 3610. The Department of Defense (DoD) has identified this lack of funding as a significant burden on its programs. Indeed, on June 10, 2020, before the House of Representatives Committee on Armed Services, Under Secretary of Defense for Acquisition and Sustainment Ellen Lord testified that the costs associated with exercising the 3610 authorities are beyond DoD's resources to absorb "without significantly jeopardizing modernization or readiness efforts." DoD has already made a request for supplemental funding, including \$11 billion for payments made under Section 3610. We support requests by the DoD and intelligence community for supplemental funding for Section 3610 payments and urge you to include such funding in the next COVID-19 response bill.

Please accept our sincere thanks for your consideration of this request. Should you have any questions or wish to discuss further, please contact Kea Matory, at kmatory@ndia.org or Timothy Cook, at tcook@thecpagroup.org.

Sincerely,

AFCEA International
Associated General Contractors of America (AGC)
CompTIA
The Center for Procurement Advocacy (CPA)
Intelligence and National Security Alliance (INSA)
National Defense Industrial Association (NDIA)
Professional Services Council (PSC)
U.S. Chamber of Commerce