



KEY VOTE

June 25, 2009

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of Associated Builders and Contractors (ABC) and its 25,000 contractors, subcontractors, material suppliers and construction-related firms across the nation, I am writing in strong opposition to H.R. 2454, the "*American Clean Energy and Security Act of 2009*," due to the additional tax and financial burdens this bill places on the American people and their businesses. Due to grave concerns with this piece of legislation, **ABC may consider final passage of H.R. 2454 a "KEY VOTE" for its 111th Congressional Scorecard.**

We are greatly concerned that the haste with which this bill is being brought to the floor will not allow members of Congress ample time to fully review and weigh the numerous provisions that will potentially have a negative impact on the American public. ABC has serious concerns with the bill as originally drafted and we believe it is dangerous to rush to floor consideration of this bill absent "regular order."

This "cap and trade," or more aptly "cap and tax," bill undoubtedly will increase the cost of energy for the American people and their businesses. The provisions in this bill will negatively impact every business and every family that uses gasoline, diesel fuel or electricity. In addition, the Congressional Budget Office estimates this bill will add as much as 77 cents to the price of a gallon of gas, while the Heritage Foundation estimates it could increase the cost of gasoline by 74 percent by 2035.

Furthermore, this bill will cause a further loss of American jobs. A recent study estimates the bill could produce a net loss of more than two million jobs each year after passage. The nation's unemployment rate is at its highest in several decades. In particular, the construction industry is seeing a massive workforce decline, with 59,000 jobs lost in May 2009 and a total job loss of 510,000 to date in 2009. Passage of this bill will cause a decrease in construction of domestic energy facilities and related infrastructure. With the unemployment rate in the construction industry at more than 19 percent, legislation that will lead to decreased construction and job creation is the last thing our industry and our economy needs.

This legislation also includes a massive expansion of the detrimental Davis-Bacon Act. Section 338 of Title VIII expands the Davis-Bacon prevailing wage rate to apply to contractors and subcontractors on any project funded directly, or in part, by this legislation. Inclusion of the Davis-Bacon Act prevailing wage requirements would adversely affect small business access to construction performed under the program and inflate the costs of projects funded under this piece of legislation by up to 38 percent, at the expense of the taxpayer.

Moreover, Davis-Bacon has a negative impact on equal access to work opportunities. It prevents many qualified small and nonunion businesses from bidding on publicly funded projects because the complexities and inefficiencies in the act make it nearly impossible for them to compete. This has a disproportionate impact on minority-owned businesses, which tend to be smaller and nonunion

companies. The toll is real: One study estimates Davis-Bacon reduces the number of minority workers in the construction industry by 25,000 each year.

In addition, ABC is concerned with the very real possibility that projects funded by this legislation would be required to be built using union-only project labor agreements (PLAs). President Obama's Executive Order 13502 encourages the use of union-only PLAs on any federal projects exceeding \$25 million. Federal and federally funded infrastructure projects paid for by taxpayers should be administered in a manner that is free from favoritism and discrimination while efficiently spending tax dollars.

Construction contracts subject to union-only PLAs almost always are awarded exclusively to unionized contractors and their all-union workforces. According to the most recent data from the U.S. Department of Labor's Bureau of Labor Statistics, only 15.6 percent of America's construction workforce belongs to a union. This means union-only PLAs would discriminate against almost 85 percent of the private construction workforce.

This discrimination is particularly harmful to women-owned and minority-owned construction businesses – whose workers traditionally have been under-represented in unions, mainly due to artificial and societal barriers in union membership and union apprenticeship and training programs.

This bill also provides additional funding for National Energy Training Partnership Grants administered through the U.S. Department of Labor. Statutory language limits eligibility to receive these grants to entities that partner with labor organizations. The reality is that this language would bar all open shop training programs from accessing this grant funding. It is our view that the most efficient path to encouraging continued growth in the emerging “green” sector is by giving all training providers, regardless of union affiliation, access to federal training programs so the greatest numbers of workers can be trained in green jobs.

Due to the concerns outlined above, ABC strongly encourages you to oppose H.R. 2454, the “*American Clean Energy and Security Act of 2009*.”

Sincerely,



Brewster B. Bevis
Senior Director, Legislative Affairs