



April 25, 2023

The Honorable Kevin McCarthy
Speaker
U.S. House of Representatives
H-232 The Capitol
Washington, DC 20515

The Honorable Steve Scalise
Majority Leader
U.S. House of Representatives
H-329 The Capitol
Washington, DC 20515

The Honorable Tom Emmer
Majority Whip
U.S. House of Representatives
H-107 The Capitol
Washington, DC 20515

The Honorable Elise Stefanik
Republican Conference Chairwoman
U.S. House of Representatives
1420 Longworth House Office Building
Washington, DC 20515

The Honorable Jodey Arrington
Chairman
U.S. House Budget Committee
204 Cannon House Office Building
Washington, DC 20516

Speaker McCarthy, Leader Scalise, Whip Emmer, Chairwoman Stefanik and Chairman Arrington:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 68 chapters representing more than 22,000 member companies, I write to express our support for the recently proposed Limit, Save, Grow Act of 2023.

The Limit, Save, Grow Act contains commonsense policies that would help our country address the rising debt being passed on to future generations while protecting the full faith and credit of the United States. This proposal also includes key priorities for ABC members and the construction industry.

Rescinding funding for Democrats' tax and spend reconciliation package

The LSGA would eliminate a 69% increase in funding included in the so-called Inflation Reduction Act for Internal Revenue Service enforcement. While ABC understands the need to ensure tax compliance, the IRS will use this new enforcement funding to locate an additional \$180 billion in increased collections over the next 10 years. ABC believes that will likely place an undue burden on American taxpayers and small businesses with more audits and increased compliance costs that will threaten the operations of thousands of businesses throughout the country.

The bill would also repeal ABC-opposed energy tax credits that include burdensome and discriminatory prevailing wage and apprenticeship requirements. ABC opposed the

reconciliation package last Congress due to concerns that the increased spending and tax hikes included in the bill could further harm our nation's economy, exacerbate inflation and cost American jobs. Further, the new, restrictive labor policies included in the law make the IRA even more damaging to the thousands of U.S. small businesses in the construction industry.

The IRA's modification of several clean energy and energy efficiency incentives provides two different tax credit values: a base rate and an alternative or bonus rate. The bonus rate equals five times the base rate and applies to projects that meet both prevailing wage and apprenticeship requirements. ABC believes this new bonus credit penalizes employers that believe in fair and open competition and pay wages based on experience, quality and market rates. This bonus credit rate also limits opportunities for thousands of construction workers who choose not to join a union and industry-recognized apprentices.

As the construction industry continues to face supply chain delays, high materials and gas prices, workforce shortages and an overly burdensome regulatory agenda, ABC believes that the anti-competitive policies included in the IRA will continue to handicap open shop construction contractors and jeopardize the nation's energy projects at this critical time.

Repealing these ill-advised tax credits will not only save taxpayer dollars but will also give Congress a new opportunity to work toward bipartisan energy policies to unleash America's potential and allow our entire qualified construction workforce to participate in critical projects across the country.

H.R. 1, the Lower Energy Costs Act

ABC is also pleased with the proposal's inclusion of H.R. 1, the Lower Energy Costs Act, which would expand American energy production and ensure American energy independence. This bill contains several permitting reform provisions, including the ABC-supported BUILDER Act, all of which will go a long way toward eliminating unnecessary delays that cause budget overruns in construction.

The BUILDER Act codifies key elements of the One Federal Decision Framework to set reasonable time limits for environmental reviews and sensible page limits for environmental documents.

H.R. 1 also includes important threshold considerations for agencies assessing whether the National Environmental Policy Act applies to a proposed activity or is otherwise fulfilled through another statute. The legislation also includes key reforms to the NEPA judicial process, requiring claimants to have participated meaningfully in the NEPA process before filing suit and providing a practical timeline of 120 days to file those lawsuits.

Further, the Water Quality Certification and Energy Project Improvement Act is included in H.R. 1 to streamline the permitting process under Section 401 of the Clean Water Act and clarify Section 401's focus on water quality. This provision would codify ABC-supported reforms to the 401 process to ensure that states do not deny certification to projects for reasons outside of the section's scope.

The REINS Act

The LSGA also includes the Regulations from the Executive in Need of Scrutiny Act of 2023, or REINS Act, which would require every new "major rule" proposed by federal agencies be approved by both the U.S. House of Representatives and U.S. Senate before going into effect. ABC supports the REINS Act, a commonsense proposal that acknowledges the devastating impact that federal overreach can have on jobs and the economy.

The Biden administration has issued numerous rulemakings resulting in overly burdensome and unnecessary regulations that have increased construction costs, which leads to job cuts and project cancellations that harm hardworking Americans. The REINS Act will ensure improved collaboration between Congress and the White House to provide a more effective and thoughtful regulatory process that promotes a healthy, safe and productive construction industry.

ABC appreciates your leadership on these important issues and your proposal of a solution months ahead of the debt limit deadline. ABC also urges President Joe Biden and Senate Democrats to work toward a successful negotiation to address our nation's debt limit and avoid harmful financial consequences for the U.S. economy and the American people.

Sincerely,



Kristen Swearingen
Vice President, Legislative & Political Affairs