



January 28, 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 to express our support for The American Recovery and Reinvestment Act of 2009 (H.R. 1), which would provide vital funding for construction and infrastructure projects that will invigorate our industry and provide hundreds of thousands of much needed jobs.

The economic hardships facing our nation have acutely impacted ABC members and their employees. Since September 2006, the construction industry has lost almost 900,000 jobs, shedding 100,000 jobs in the last month alone. With hundreds of shovel-ready projects poised to begin, but lacking necessary funding to get under way, it's time to make a significant investment in our nation's infrastructure. Funding these projects would immediately create the new jobs we need to get people back to work and help prevent further layoffs. In addition, the absence of any exclusionary union-only project labor agreements in this legislation will allow ABC members and the merit shop contractors that make up over 84 percent of the construction industry the opportunity to bid on these projects on a level playing field.

In addition to this crucial investment in our nation's infrastructure, ABC strongly supports the bill's tax relief provisions for small businesses and the tax incentives it provides for energy efficiency. The majority of ABC's 25,000 member firms are small businesses, which account for the lion's share of job creation in our economy during the last decade. They need relief in order to weather this economic storm, retain employees and create new jobs. In addition, providing incentives for energy efficiency and conservation fosters job creation in important "green" projects.

We do want to point out our concern that the legislation's vast expansion of Davis-Bacon Act requirements will unnecessarily inflate the price tag of this bill, limiting the number of jobs created and projects that can be completed. In a time when taxpayers throughout the country are being forced to tighten their belts, it is disappointing to see this bill fail to exercise the same type of fiscal discipline. Davis-Bacon Act paperwork, associated union work rules and often inflated wages drive up public construction costs by 5 to 38 percent. Consequently, we urge Congress to remove them from this important piece of legislation so America's tax dollars are best utilized.

This concern notwithstanding, ABC strongly encourages your support for this legislation that would improve our nation's infrastructure while putting the construction industry, ABC members and their employees back to work.

Sincerely,

Geoffrey Burr
Vice President, Government Affairs