



November 14, 2012

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

The Honorable John A. Boehner
Speaker of the House
H-232 U.S. Capitol Building
Washington, D.C. 20515

The Honorable Harry Reid
Senate Majority Leader
S-221 Capitol Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
House Minority Leader
H-204 U.S. Capitol Building
Washington, D.C. 20515

The Honorable Mitch A. McConnell
Senate Minority Leader
S-230 Capitol Building
Washington, D.C. 20510

Dear President Obama, Speaker Boehner, Leader Reid, Leader McConnell, Leader Pelosi:

The National Electrical Contractors Association urges President Obama and the Congress to enact legislation before the end of this calendar year to avoid the looming "fiscal cliff." It is clear on many levels that the failure to address the multitude of expiring tax provisions, spending cuts and forthcoming sequestration will have dire consequences on the electrical construction industry nationwide. We believe, as most economic experts do, that failure by all parties to work together and jointly address these interconnected and lingering issues could trigger another economic recession.

Small businesses, the primary source of the nation's job growth, continue to struggle and many are unable to keep their doors open. The threat of going over the fiscal cliff has further increased uncertainty. Businesses large and small cannot plan for the future and are delaying the hiring of more workers which would grow and strengthen the U.S. economy. According to the nonpartisan Congressional Budget Office, failure to address most components of the fiscal cliff could send the unemployment rate from its current 7.9 percent to 9.1 percent or higher.

More specifically, many NECA contractors are small businesses, most of who are organized as S Corporations that report their business income on their individual tax returns. Thus, failure to extend the lower individual rates will directly increase their taxes. The impact on their bottom line will force many of these mom and pop shops to close their doors.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION

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We urge you to address the broad set of tax policies and spending programs that will expire January 1, 2013, including: 1) the 2001 and 2003 tax rates for all taxpayers; 2) repeal of the estate tax; 3) vital business tax provisions such as energy efficiency tax credits for construction contractors; 4) a fix to the alternative minimum tax (AMT); and, 5) spending cuts and reprioritization to replace the impending sequestration.

If Congress is unable to pass an all-inclusive deal before the end of the year, NECA supports a one-year extension of all rates to allow the White House and Congress time to craft a comprehensive tax and spending package that will put our economy on the road to real recovery.

We recognize there are formidable issues, but they are issues that must be addressed immediately. NECA urges Congress and the President to work together to save our economy.

Sincerely,



Marco A. Giamberardino, MPA
Executive Director, Government Affairs