

September 9, 2021

The Honorable Chuck Schumer  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
United States House of Representatives  
Washington, DC 20515

Dear Leader Schumer, Leader McConnell, Speaker Pelosi, and Leader McCarthy:

The National Utility Contractors Association (NUCA) represents American construction contractors, manufacturers, and distributors who build and maintain a wide range of underground facilities and transportation infrastructure. Our member companies provide the manpower and equipment needed to build, repair, and maintain the infrastructure needed to support a range of utilities. As Congress continues to develop this year's budget resolution bill, we offer the perspective of construction entities who install public water, sewer, and stormwater systems across the country.

#### **New Fees on Methane are Not the Answer**

The energy industry has faced increasing opposition from a variety of organized entities, resulting in project delays and even termination of certain gas distribution projects. In order to reach America's ambitious energy goals, natural gas must play a strong role to help move toward a "Clean Energy Economy," and robust pipeline infrastructure will be an essential part of achieving that goal.

However, NUCA strongly objects to the concept of including a methane emissions fee/tax in reconciliation legislation. The natural gas industry has been, and continues to be, at the forefront of reducing greenhouse gas emissions, including methane. In fact, natural gas is responsible for more than 60 percent of cumulative carbon dioxide emissions savings as a result of changes to the electricity generation fuel mix.

In addition, the methane tax proposal is inconsistent with the president's efforts to regulate emissions and would divert existing industry resources away from activities to curb greenhouse gas emissions. In fact, the Pipeline and Hazardous Materials Safety Administration and Environmental Protection Agency are developing new regulatory proposals intended to help reduce methane emissions, making new fees on methane duplicative.

The impacts of a methane fee have not been adequately evaluated and a more thorough review would reveal considerable challenges of applying a new emissions fee are needed. In fact, the proposal may result in the taxable of multiple companies in the natural gas supply chain unnecessarily.

New fees on energy companies will end up raising costs for customers, creating a burden that will fall most heavily on lower-income Americans. New costs will inevitably require rate increases for natural gas customers, including families and small businesses, and could put more than 100,000 American jobs at risk, according to industry estimates. These outcomes are inconsistent with the president's commitment to pay for reconciliation without imposing new taxes on lower-income Americans.

**Providing an Effective, Qualified Workforce**

NUCA is an association of both union and merit-shop contractors whose members perform a range of utility construction services. As President Biden continues to support policy that favors organized labor and create union jobs, NUCA cautions against over-the-top regulation that favorites labor work at a time when workforce capacity remains a major challenge in all facets of the construction industry.

NUCA opposes the Protecting the Right to Organize (PRO) Act, would, among other things, eliminate “right-to-work” protections for workers across the country (including in the 27 states that have passed right-to-work laws) and strip away workers’ free choice in union elections as well as their privacy rights.

Our association also strongly objects to language under consideration that would unfairly subject individuals to civil penalties by the National Labor Relations Board (NLRB) In fact, these provisions allow NLRB to issue civil penalties to “any director or officer of the employer who directed or committed the violation, had established a policy that led to such a violation, or had actual or constructive knowledge of and the authority to prevent the violation and failed to prevent the violation.” This language is overreaching and entirely unnecessary.

**Allocating Additional Funding for Water Infrastructure**

This Congress has made tremendous strides in addressing the funding deficits for water and wastewater infrastructure, but there is much more that needs to be done. According to current Environmental Protection Agency estimates, there is an estimated \$271 billion in wastewater and \$473 billion in drinking water needs by 2040. In addition, replacing every lead pipe in America – as the Administration has promised – is likely to cost nearly \$47 billion, far more than the \$15 billion earmarked by the bipartisan infrastructure package. NUCA asks that you strongly considering allocating additional resources towards these critical needs – and we encourage you to consider other innovative funding mechanisms as well.

Most notably, NUCA urges Congress to consider lifting the state volume cap on exempt facility bonds (EFBs, also known as private activity bonds) for water and wastewater infrastructure projects. Last year, language was included in proposed infrastructure legislation that would have revised the Internal Revenue Code to provide that wastewater infrastructure would no longer be subject to state volume cap limits subject to exempt facility bonds. EFBs have bipartisan support and would take significant steps to open the door to private investment in water and wastewater infrastructure projects.

As Congress debates budget reconciliation, we urge you to consider the harmful impacts that new fees on methane will have on all Americans. We also suggest that harmful labor policies that are under consideration will only exacerbate already formidable workforce capacity challenges. Lastly, we ask that you consider increasing funding for critical water/wastewater infrastructure to meet the growing needs of the American people.

We look forward to working with you on ways to continue rebuilding America’s water infrastructure, driving down methane emissions, and ensuring fair workplace standards while still providing homes and businesses with affordable, efficient, and reliable energy.

We thank you for your consideration.

Regards,



Doug Carlson  
Chief Executive Officer