



July 20, 2009

Dear Senator or Representative:

On behalf of our respective organizations, the International Brotherhood of Electrical Workers (IBEW) and the National Electrical Contractors Association (NECA), we write jointly as labor and management regarding *America's Affordable Health Choices Act* (H.R. 3200). Specifically, we are very concerned the small business threshold contained within the proposed legislation will exacerbate healthcare inequities in the extremely competitive electrical contracting industry.

For many years, IBEW and NECA have negotiated healthcare benefits for electrical workers in the construction industry. Regardless of size, NECA electrical contractors provide healthcare benefits for IBEW members in their employ. Please understand, most NECA contractors are small businesses; 70 percent have nine or fewer employees. We believe all employers in the industry should provide healthcare, and we practice what we preach.

Given this, we are troubled by the threshold in H.R. 3200 that exempts employers with gross payrolls of less than \$250,000. Although the legislation provides a graduated scale that incrementally raises taxes between \$250,000 and \$400,000, it tops-out at only six percent. In no way does this reflect the true cost of providing healthcare. IBEW-NECA jointly-managed healthcare costs between 12.5 to 20 percent of payroll, depending on the area of the country.

If passed, this small business exemption will further exacerbate the unlevel playing field in the construction industry. It will shift costs from exempted small businesses to NECA contractors and IBEW plan participants. Every NECA contractor will continue to shoulder costs for other small businesses that don't provide healthcare for their employees.

For decades, IBEW and NECA have provided healthcare benefits to millions of electrical workers and their dependents despite the fact that the vast majority of NECA contractors are small businesses. If our nation is to continue the model of employer-based healthcare coverage, we see no reason why other small businesses should be exempted. We respectfully ask Congress to repeal the small business threshold contained in H.R. 3200.

Sincerely,

A handwritten signature in black ink, appearing to read "Edwin D. Hill".

Edwin D. Hill  
International President  
IBEW

A handwritten signature in black ink, appearing to read "John M. Grau".

John M. Grau  
Chief Executive Officer  
NECA

EDH:JG:lgd

Copy to: President Barack H. Obama