

December 21, 2009

The United States Senate
Washington, D.C. 20510

Dear Senator:

We are writing to express our strong opposition to language contained in the Manager's Amendment to H.R. 3590, which excludes the construction industry from the small business exemption contained in the bill. We regret that this is our first opportunity to address this issue, though the fact that the Manager's Amendment was made public less than two days before the first vote on the matter has increased the difficulty of playing a constructive role in the legislative process.

In recognition of the negative impact that a mandate to provide health insurance will have on employers, H.R. 3590 exempts employers with fewer than 50 employees from the fines levied on those who cannot afford to provide their employees with the federal minimum standard of health insurance. However, the Manager's Amendment singles out the construction industry by altering the exemption so that it applies to only those firms with fewer than 5 employees.

This narrowly focused provision is an unprecedented assault on our industry, and the men and women who every day make the bold decision to strike out on their own by starting a business. Our members' benefit packages reflect the reality of their business models, and they proudly offer the best health insurance coverage that they can afford. It is unreasonable to presume that small business owners can bear the increased cost of these new benefits simply because Congress mandates that they do so.

In the real world, where the rhetoric surrounding this legislation will meet the stark reality of the employer struggling to make payroll, this special interest carve out is simply another bill to pay in an industry that, with an unemployment rate exceeding 18% and more than \$200 billion in economic activity lost in the past year, already is struggling to survive.

And, we would be remiss if we failed to question the justification for singling out the construction industry to bear such a burden. We are unaware of any data or evidence that suggests that the needs and struggles of a construction contractor with fewer than 50 employees are so different from those of small business owners in other industries, and absent such convincing evidence, we are left to assume that this specific provision is merely a political payoff to satisfy the desires of a small constituency.

As Congress moves forward in the legislative process for H.R. 3590, we strongly encourage you to address this onerous provision that needlessly single out small construction industry employers.

Sincerely,

Air Conditioning Contractors of America
American Institute of Architects
Associated Builders and Contractors
Associated Equipment Distributors
Associated General Contractors
Association of Equipment Manufacturers
Independent Electrical Contractors
National Association of Home Builders
National Federation of Independent Business

National Lumber and Building Material Dealers Association
National Ready-Mixed Concrete Association
National Roofing Contractors Association
National Utility Contractors Association
Plumbing-Heating-Cooling Contractors-National Association
Small Business & Entrepreneurship Council
U.S. Chamber of Commerce