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May 26, 2021

Chairman Ron Wyden  
U.S. Senate Committee on Finance  
Washington, D.C. 20515

Ranking Member Mike Crapo  
U.S. Senate Committee on Finance  
Washington, D.C. 20515

Dear Chairman Wyden and Ranking Member Crapo,

On behalf of the Associated General Contractors of America (AGC) and its more than 27,000 construction company members, I write to express concerns about the *Clean Energy for America Act*. While this legislation takes steps to consolidate, simplify, and expand numerous tax incentives for the construction of energy efficient infrastructure and renewable energy projects, the measure falls short in other areas. As this bill progresses, AGC looks forward to working towards solutions that will resolve its substantial concerns.

Currently, the federal Highway Trust Fund (HTF) is funded primarily through a taxes on gasoline and diesel fuel. Federal motor fuels taxes have not increased since 1993, with the purchasing power of the gas tax declining by over 60 percent. Additionally, since 2008, the HTF has faced a chronic deficit, which Congress has filled with over \$150 billion from the federal government's general revenue account.

Unfortunately, the *Clean Energy for America Act* will further exacerbate this transportation funding deficit. The bill greatly expands the 30D electric vehicle (EV) tax credit worth up to \$7,500 per vehicle, and creates a new tax credit for electric commercial vehicles worth up to 30 percent of the cost of the vehicle. EVs do *not* currently pay into the HTF. Additional incentives to purchase EVs will deepen the erosion of the HTF tax base, jeopardizing future highway and transit projects. Congress must not expand incentives for EV purchases—further amplifying inequities between transportation users—without also including a viable method for EVs to pay into the HTF.

Additionally, the bill uses the tax code to require the use of workers from registered apprenticeship programs to be eligible for certain tax benefits. The bill requires construction contractors to have 15 percent of the work be performed by registered apprentices and imposes additional apprenticeship structured requirements. This arbitrary threshold is misguided and potentially unattainable for contractors to meet as it will interfere with specific projects' needs and schedules. The bill also ties prevailing wage requirements to favorable tax treatment, representing the first time Congress has proposed that prevailing wages be paid to claim tax benefits on private development projects.

Prior to the pandemic, the construction industry was experiencing a historic workforce crisis. Many of those workforce challenges remain today. Instead of adding new labor requirements for real estate developers to qualify for a tax benefit, Congress should instead focus on meaningful workforce development initiatives that invest in people, like increased investments in career and technical education and pre-apprenticeship programs that would prepare individuals for a high-paying and long-term career in construction.

Without addressing these serious concerns, AGC can not support the *Clean Energy for America Act* as drafted. AGC looks forward to working with you to find solutions to these concerns as this legislation progresses.

Sincerely,

Jimmy Christianson  
Vice President, Government Relations

cc: Members of the Committee on Finance