



AMERICAN COUNCIL OF ENGINEERING COMPANIES

**STATEMENT OF THE
AMERICAN COUNCIL OF ENGINEERING COMPANIES
ON
THE HEARING ON CERTAIN EXPIRING TAX CREDITS
BEFORE THE
SUBCOMMITTEE ON SELECT REVENUE MEASURES
COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
APRIL 26, 2012**

The American Council of Engineering Companies (ACEC) is pleased to offer its views on the challenge of providing incentives that can help the nation become more self-sufficient on domestically produced sources of energy. We commend the Subcommittee for its long-standing approach to solving tax issues in a bi-partisan manner and for undertaking a thoughtful exploration of the issue of tax extensions.

ACEC is the business association of America's engineering industry, representing over 5,000 independent engineering companies throughout the United States. ACEC members are directly engaged in the development of America's infrastructure, and play a particularly critical role in the effort to expand and upgrade the nation's energy infrastructure. ACEC member firms represent the broad spectrum of the industry, from very large firms to small, family-owned businesses. Overall, our members employ well over 300,000 people throughout the 50 states and the District of Columbia.

ACEC urges that the wind energy production tax credit (PTC) be extended by Congress as quickly as possible. The PTC is set to expire at the end of 2012, and it is vital to the economy that it be extended. With the current threat of the PTC's expiration, wind project developers are not making plans for the next construction season and engineering contracts for

the design of new wind energy projects are declining. Once again, the wind industry is facing the recurrence of the boom-bust cycle it has seen in previous years when the PTC was allowed to expire. The history for the years following previous expirations is that installations dropped between 73-93 percent, with corresponding job losses across the industry.

The tax incentives for wind, as well as other types of renewable energy, have been tremendously successful in spurring construction of new projects and supporting economic development. If we are to truly have an “all-of-the-above” energy policy and encourage energy diversity, wind energy must be part of America’s energy mix. All of this is in jeopardy by Congress’ failure to act to extend the wind energy PTC.

It is critical that Congress extend the wind energy production tax credits for at least an additional year while discussions take place on the parameters of a reasonable phase-out. Unlike the permanent tax credits and deductions for fossil fuels, the wind energy industry, and the engineering firms that support it, are not seeking an extension that lasts indefinitely.

ACEC supports HR 3307, a bi-partisan bill which extends the PTC through the end of 2016 for wind energy, as well as geothermal, hydropower, landfill gas, municipal trash, marine and hydrokinetic energy projects. Such a timetable provides predictability while these industries mature and their robust progress continue to spread throughout all parts of the country.

In the meantime, the wind energy PTC should not be allowed to expire and cause another drop in the development and construction of wind energy projects. We urge the subcommittee to expeditiously take up an extension of the wind energy production tax credit.

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