



**Independent Electrical  
Contractors**

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August 31, 2016

The Honorable Kurt Schrader  
United States House of Representatives  
2431 Rayburn House Office Building  
Washington, DC 20515

Dear Congressman Schrader:

On behalf of the Independent Electrical Contractors, I write to express our support for H.R. 5813, the Overtime Reform and Enhancement Act (OREA).

Established in 1957, IEC is a trade association representing 3,000 members with 50 chapters nationwide. Headquartered in Alexandria, Va., IEC is the nation's premier trade association representing America's independent electrical and systems contractors. IEC National aggressively works with the industry to establish a competitive environment for the merit shop – a philosophy that promotes the concept of free enterprise, open competition and economic opportunity for all.

IEC applauds your efforts to introduce legislation modifying the Department of Labor's (DOL) recent overtime rule, which drastically increases the overtime threshold for employees who are exempt from overtime pay from \$23,660 (\$455 per week) to \$47,476 (\$913 per week) effective December 1, 2016. Such an increase is too much, too fast, and will have a significant negative impact on merit shop electrical contractors all over the country.

Of equal concern is the final rule's establishment of automatic increases in the salary threshold every three years, regardless of economic conditions and without the input of stakeholders. Such a policy is unprecedented and will have disastrous consequences for large and small merit shop electrical contractors alike. This will require IEC members to reconsider the classifications given to their employees and reassess potential raises, bonuses, or promotions. Our members will constantly need to review the impact the automatic increases have on salary compression, merit increases and budgets. All of which costs money. In addition, such a massive increase will negatively impact IEC's 50 chapters, most of which are small associations with limited budgets and many provide flexible work schedules that will likely vanish under the DOL's proposal.

Given the disruptive impact this regulation will have on our members, IEC fully supports H.R. 5813. This legislation would phase-in the DOL's new salary threshold over three years, starting with a salary threshold increase to approximately \$36,000 on December 1, 2016, and the balance going into place in increments over the next three years with the final installment taking effect December 1, 2019. Equally important is the bill's prohibition of automatic increases in the salary threshold, requiring the DOL to propose future changes to overtime regulations through the customary notice and comment rulemaking process.

IEC looks forward to working with you and Congress to address the adverse impact the DOL's new overtime rule will have merit shop electrical contractors and their affiliated chapters. Should you require assistance, you may contact me at any time at [jtodd@ieci.org](mailto:jtodd@ieci.org) or (703) 650-0054.

Sincerely,

Jason E. Todd  
Vice President, Government Affairs  
Independent Electrical Contractors

*The association for electrical and systems contractors*