

Pass a 2026 Highway Bill that Modernizes and Electrifies Surface Transportation:

NECA supports a minimum five-year surface transportation reauthorization with increased, predictable funding to support long-term planning and investment. Electrical contractors rely on steady federal investment to plan, bid, and staff multi-year transportation projects.

- Increase formula and discretionary funding for core highway, bridge, and transit programs with multi-year, inflation-sensitive growth in contract authority
- Stabilize and strengthen the Highway Trust Fund to avoid funding cliffs, while providing predictable general fund supplements as needed
- Maintain and enhance competitive grant programs that drive complex electrical work (RAISE, INFRA, MEGA, and similar multi-modal programs)
- Protect existing federal–state cost-sharing ratios, with special attention to rural, tribal, and small-community projects

Pass the Retainage Tax Fairness Act to Provide Tax Clarity for Contractors:

NECA supports clear federal tax rules that reflect how construction businesses actually operate. Current law does not address retainage directly, leaving contractors uncertain about when withheld funds become taxable — forcing many to pay taxes on money they have not yet received.

- Establish that retainage is not taxable until it is released and paid to the contractor or subcontractor
- Direct Treasury to develop a simple, optional compliance method that contractors can use to apply this rule consistently
- Include safeguards to ensure only genuine retainage qualifies, preventing ordinary payments from being reclassified to delay tax obligations
- Apply the new rule uniformly across both public and private construction contracts, benefiting contractors and subcontractors of all sizes
- Reduce reliance on short-term borrowing by improving cash flow predictability, particularly for smaller firms operating in tight credit conditions

Invest in Resilient and Electrified Transportation Infrastructure:

NECA supports directing the highway bill to prioritize projects that incorporate resiliency, backup capacity, and modern electrical system design, including smart and electrified transportation assets.

- Strengthen and expand resilience programs (such as PROTECT-style resilience funding) to support electrical upgrades that keep critical transportation facilities operating during emergencies
- Prioritize funding for backup generation and microgrids at tunnels, bridges, interchanges, airports, and transit facilities
- Fund redundant communications and control wiring, surge protection and weather-hardened switchgear, and resilient lighting and ITS systems

Support Permitting Reform and Streamline Transmission Work:

NECA contractors deliver transmission, grid modernization, federal facility electrical work, and critical infrastructure projects that often require multi-agency federal approvals. Predictable, efficient permitting is essential to mobilize crews, manage costs, and meet national energy and infrastructure goals.

- Codify the One Federal Decision (OFD) framework into permanent statute, including a two-year statutory deadline for NEPA environmental reviews, a single lead federal agency, and one consolidated environmental document
- Establish concurrent permit processing across all relevant federal agencies to compress critical-path timelines for major infrastructure projects
- Codify statutory time and page limits for environmental documents (EIS: 2 years / 300 pages; EA: 1 year / 75 pages)
- Expand and standardize categorical exclusions for routine, low-impact electrical infrastructure work — such as reconductoring, substation upgrades, and minor grid interconnections within existing rights-of-way
- Require agencies to leverage existing data and prior NEPA reviews rather than restarting analysis from scratch



The **National Electrical Contractors Association (NECA)** is the voice of the \$270 billion electrical construction industry that brings power, light, and communication technology to buildings and communities across North America. NECA's national office and 118 local chapters advance the industry through advocacy, education, research, and standards development.

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