

National Association of Home Builders

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Government Affairs

Lake A. Coulson
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The Cathy McMorris Rodgers
Chairman
House Energy and Commerce
Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
House Energy and Commerce
Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rodgers and Ranking Member Pallone:

On behalf of the more than 140,000 members of the National Association of Home Builders (NAHB), I am writing to express our strong support for H.R. 4167, the *Protecting America's Distribution Transformer Supply Chain Act*. NAHB urges the Committee to favorably report out this bill. This important legislation ensures certainty for transformer manufacturers as they seek to repair and strengthen a broken distribution transformer supply chain that has delayed home construction projects across the country and aggravated the nation's housing affordability crisis.

Global supply chains continue to heal in the wake of the COVID-19 pandemic, and as they do, the pricing and availability of some building materials have stabilized. Other key inputs to construction however, including distribution transformers, continue to experience significant lead times and threaten current and future development. NAHB members report that wait times for transformers often range from 12 to 24 months, and in some isolated cases the lag time approaches 3 years. These delays are worsened by the fact that transformer prices have increased by 85 percent since the first quarter of 2018.

Equally concerning given the current shortages and delays, the Department of Energy (DOE) has proposed a new rule to increase energy efficiency standards on distribution transformers. DOE's proposed rule is certain to make an already bad situation worse as manufacturers will be forced to retool production lines to produce new transformers instead of addressing the current backlog.

Building more homes and apartments is the only way to tame inflation, satisfy unmet demand, achieve a measure of price stability in the for-sale and rental markets, and ease America's housing affordability crisis. Without distribution transformers none of this will be possible. Again, NAHB urges the Committee to support the *Protecting America's Distribution Transformer Supply Chain Act* to help distribution transformer manufacturers focus on powering American homes. Thank you for considering our views.

Sincerely,

A handwritten signature in black ink, appearing to read "Lake A. Coulson", written in a cursive style.

Lake A. Coulson