

March 27, 2014

The Honorable Andrew M. Cuomo
Governor of New York State
The New York State Capitol
Albany, NY 12224

Honorable Brian M. Kolb, Minority Leader
New York State Assembly
Albany, New York 12248

Honorable Sheldon Silver, Speaker
New York State Assembly
Albany, New York 12248

Honorable Dean G. Skelos, Temporary President and Majority Coalition Leader
New York State Senate
Albany, New York 12247

Honorable Andrea Stewart-Cousins, Democratic Conference Leader
New York State Senate
Albany, New York 12247

With budget negotiations underway, the State manufacturing interest listed below, are writing to express continued support for Part S of the TED Article VII legislation as contained in the Senate and Governor's. This vital measure would reduce the Public Service Law § 18-a(6) Temporary State Energy and Utility Service Conservation Assessment (Temporary Assessment) by a total of \$200 million per year by eliminating the assessment on large utility customers and accelerate the phase out for all other customers.

These manufacturing organizations strongly agree with the following comments made by the New York State Tax relief Commission:

"New Yorkers already pay some of the highest energy bills in the nation. The surcharge increases the already high burden on families struggling to pay high utility bills. Furthermore, the 18-A Surcharge is particularly burdensome for New York businesses, especially those in energy intensive industries.

This will immediately improve the business climate for industrial customers where electric power is a significant cost of production. This proposal, when combined with the proposed tax credit for property taxes on manufacturers and an additional manufacturing rate cut, is designed to kick-start upstate manufacturing."

Affordable energy is a critical component to any thriving economy, and a necessity for New York businesses and residents alike, particularly to the energy intensive manufacturing sector. The 18-a Surcharge is imposed based on volumes of electricity and natural gas purchased and, therefore, has a devastating impact on manufactures. The current Surcharge adds significant costs to the products we produce and makes it more difficult for New York Manufactures to compete and retain these jobs in the State. Eliminating the 18-a Surcharge for manufactures offers a critical cost reduction that will help our State economy become more competitive and retain our well-paying jobs in New York.

The undersigned appreciate the inclusion of this proposal in the State Budget and encourage the legislature to join you in supporting the adoption of the elimination of the assessment on manufacturing customers and the acceleration of the phase out for all other customers.

