

THE FIRST WORD

August, 2011

ACEC OKLAHOMA August General Membership Meeting Set For Thursday, August 25th

We hope that everyone has had a great summer and some vacation time to recharge the batteries! With summer....and hopefully the hot weather....drawing to a close, it's time to get back into the swing of things.

With that, ACEC OKLAHOMA's August General Membership Meeting will be held on Thursday, August 25th. The luncheon meeting will be held at the **Clarion Meridian Convention Center beginning at 11:45am.**

ATTENTION - Please note the location change from the traditional Oklahoma City meetings. For many years, ACEC OKLAHOMA has been holding our Oklahoma City meetings at the Oklahoma Engineering Center. However, with on-going renovations to the Center, the large Forum is no longer available for meetings. With that, we're holding this meeting at the Clarion Convention Center, I-40 & Meridian. This is the

same facility we use for the ODOT/ACEC OKLAHOMA Partnering Conference when held in Oklahoma City, so most should be familiar with the location.

David Streb, Gary Evans, and Tim Gatz from ODOT will be our guest speakers for the meeting. David, Gary, and Tim will update ACEC OKLAHOMA members on the state of the current transportation program; upcoming opportunities for consultants; provide the latest information on the reauthorization efforts regarding the Federal highway program; and, provide other timely information.

Registration information will be coming out soon. For now, please mark your calendars and plan on attending this important and informative meeting.

We look forward to seeing everyone on August 25th!!!!

ACEC OKLAHOMA Welcomes New Members

ACEC OKLAHOMA is excited to welcome three new members to the Council; one full member and two Associate Members.

LANCORP ENGINEERING is our newest full member. Lancorp Engineering, a DBE firm, is a 4-person Mechanical, Electrical, Plumbing Engineering firm in Tulsa. Ms. Belkis Lane is President of the firm and Jim Lane is a Principal of the firm.

ABLE CONSULTING has joined as an Associate Member. Led by Jennifer Koscelny, Able Consulting specializes in NEPA clearances and project management for transportation projects with ODOT and counties.

SOFOLA & ASSOCIATES, INC., has also joined as an Associate Member. Gina Sofola heads the firm which provides Project/Program Management services inclusive of estimating, scheduling, outreach, community involvement, construction management, oversight, etc.

We thank **LANCORP ENGINEERING**, **ABLE CONSULTING**, and, **SOFOLA & ASSOCIATES** for the vote of confidence in ACEC OKLAHOMA, and we look forward to having them as active members of the Council.

Congress Fails On FAA Bill Harbinger of Doom for Highway Program???

When it comes to highway funding and rebuilding our infrastructure, we have heard it said for years that there's no such thing as a "democrat road" or "republican road." One would think that the same could be said for aviation funding, but apparently things are changing.

With the "debt ceiling" debate over the past few weeks bringing Congress to a virtual halt, Congress has now recessed for the traditional August recess without passing an extension of the FAA authorization bill. This failure to act has shut down construction projects at airports across the country, and is costing taxpayers \$25 million/day in lost airline ticket taxes. Much of the controversy surrounding the FAA bill centers on ticket subsidies for Essential Air Service (EAS) for small, mostly rural airports, and, an effort to rescind a 2010 National Mediation Board rule that made it easier for airline and railway employees to unionize.

While it is almost historic that Congress failed to extend the FAA, some are concerned that a similar fate could face the extension or reauthorization of SAFETEA-LU which is set to expire on September 30th.

DIRTY LITTLE SECRET -- While everyone is aware that the federal highway program is funded through the excise tax on gasoline and diesel fuel, did you know that these taxes are not permanent? Well, they are not! In fact, the federal government's authorization to collect these taxes EXPIRE September 30th! Without Congressional action, the federal gas/diesel tax goes away just like the airline ticket taxes did with the expiration of the FAA bill.

Imagine the chaos which will be created nationwide within the 50 state DOTs as well as the consulting and construction industries if the federal "well" dries up on September 30th. After seeing what happened with the FAA extension, one can no longer take any program extension, including SAFETEA-LU, for granted.

ACEC OKLAHOMA and ACEC are closely monitoring this critical situation, and you can be assured that we will enlist your help in contacting your Members of Congress to make sure that the gas tax and other user fees do not lapse and a shutdown does not occur to surface transportation programs.

During the recess, if you have the opportunity to visit with any member of Oklahoma's Congressional Delegation, stress the importance of the September 30th deadline. And, watch your e-mails for CALL TO ACTION alerts. It could be a very interesting September!!!

ODOT's 100th Anniversary Celebration Continues

As ODOT continues to celebrate the 100th Anniversary, Terri Angier tells ACEC OKLAHOMA that there are still opportunities for consulting firms to participate in the celebration, and provided the following information:

Sponsorships — ODOT still has several months and events remaining in the 100th Anniversary of Transportation commemorations. ODOT is happy to work with those companies who have voiced an interest in smaller sponsorships of remaining events.

Coffee Table books — While the sales of these books are steady, this is a reminder that we still have books on sale at the Reproduction Office for only \$25 plus tax each. These make fantastic professional gifts for your companies. Call (405) 521-2586 or visit <http://www.okladot.state.ok.us/odot100> for more information.

For large volume buys, please contact Terri directly at (405) 521-6004.

Call for Speakers at ASCE Annual Convention

The ASCE Annual Conference will be held on Friday, August 26th in Stillwater.

ASCE is seeking speakers for the ASCE Annual Conference. Interested applicants should contact Kristi Weigl at kweigl@ODOT.org.

House Support for 3% Repeal Surges Past 200 Co-sponsors

More than 200 members of the House of Representatives are now co-sponsors of legislation to repeal the 3 percent withholding mandate.

The surge in support comes on the heels of a multi-faceted lobbying effort led by ACEC and the U.S. Chamber of Commerce. In the Senate, 28 Senators are now on record supporting one of the repeal bills (S. 89 and S. 164).

ACEC encourages members to contact their Congressional delegations in support of 3 percent repeal. Visit the ACEC website (<http://www.acec.org>) and click on the "Advocacy" tab to access the Council's action alert.

Summary of the Budget Control Act of 2011

For the past few weeks the news has been filled with the debate regarding raising the federal "debt ceiling." Congress and the President have now agreed to a solution, which is now law. But, what does it all mean? What is in the bill and what does it do? While the political commentators will rattle off a number of opinions equal to the number of pages in the bill, the U.S. Chamber of Commerce has prepared the following concise summary of the debt ceiling agreement. Our thanks to ACEC's Dave Raymond for providing this.

Summary Budget Control Act of 2011

The deal provides at least one dollar of actual spending cuts, not gimmicks, for each dollar in debt limit increases. It doesn't raise even a dollar in taxes. By including upfront cuts, a Joint Committee, a balanced budget amendment (BBA) vote, the debt disapproval process, and sequesters, it continues the pressure on the President and Congress to continue cutting spending through the next election and beyond.

Basics of the Proposal (Similar to House Bill)

* Upon passage, the President can request an immediate \$400 billion increase in the debt limit, to be followed by a further \$500 billion increase if a resolution of disapproval is not enacted.

* This \$900 billion increase comes with over \$900 billion in CBO scored savings through tough discretionary caps, enforceable with across-the-board spending cuts that Congress would have to affirmatively vote to turn off.

* The bill establishes a Joint Select Committee that is tasked with reducing the deficit by at least \$1.5 trillion. The Committee is made up of 12 members of Congress, equally divided with 3 each of House Republicans, House Democrats, Senate Republicans, and Senate Democrats. By November 23 of this year, the Committee must vote on legislation (simple majority for passage).

* Any legislation reported from the Committee will receive expedited consideration in both Chambers and will be voted on by December 23. If the Committee produces a bill enacted into law that achieves \$1.2 trillion or greater in savings, that would trigger the President's authority to request a debt limit increase of equal amount (subject to disapproval & veto), capped at \$1.5 trillion.

* The bill requires Congress to vote on a balanced budget amendment no sooner than October 1, 2011, and no later than December 31, 2011. If one chamber passed an amendment, the other chamber would be required to consider it.

* If a balanced budget amendment is sent to the states, that would trigger the President's authority to request a debt limit increase of \$1.5 trillion, subject to disapproval and veto, regardless of the success or failure of the Committee.

Trigger Design

* If the Joint Committee does not produce enacted savings of at least \$1.2 trillion and a balanced budget amendment has not been sent to

the states, then the President is given the authority to request a \$1.2 trillion debt limit increase (subject to disapproval and veto).

* That \$1.2 trillion would be recouped by a combination of whatever savings were enacted pursuant to the Joint Committee process, if any, and an across the board spending cut using an expanded version of the original House sequester language. If the Joint Committee process failed to enact any savings at all, then the full \$1.2 trillion would be recovered via this expanded sequester process. This sequester process would remain in place even if a BBA were sent to the states.

* The sequester would hit defense and non-defense spending in equal dollar amounts. The non-defense category is comprised primarily of non-defense discretionary, a limited amount of Medicare and some mandatory spending. To the extent that the Joint Committee succeed in enacting any savings, these would reduce – or entirely obviate – the sequester.

Practical Considerations

* The maximum the debt ceiling can be raised is \$2.4 trillion (if the Committee has enacted at least \$1.5 trillion in savings or if a BBA has been sent to the States). The minimum the debt ceiling can be raised is \$2.1 trillion (if the Joint Committee fails to meet its target). In both circumstances, there would be dollar for dollar cuts coupled with the debt ceiling increase.

* The trigger does not allow for increased revenues. The trigger can only result in spending cuts through caps and sequesters, not tax increases.

* The sequester is designed to dig deep enough into programs cherished by both parties that the Joint Committee would have a significant incentive to succeed.

* Because of CBO scoring conventions, the Committee would not be able to achieve deficit reduction through individual rate increases.

* If the Committee fails, then the total debt limit increase is capped at \$2.1 trillion, which raises the prospect of having to raise it again before the election (depending on the health of the economy).

* As a practical matter, if the full amount of the sequester were to be triggered, it would force a debate on what spending cuts could replace amounts being proposed to be sequestered. This debate would occur annually for the next 9 years and keep the focus on the issue of spending well past the next election.

PRESIDENT'S MONTHLY UPDATE

August 1, 2011

David Raymond, ACEC President & CEO

Having sucked all the oxygen out of the legislative process for more than a month now, the debt ceiling issue finally appears to be resolved (assuming successful votes this evening) and we can proceed to deal with other matters important for our industry.

There is no question that the allocation of scarce funding resources will continue to challenge us. However since jobs and the economy continue to be the dominant issues, we have a compelling argument that investments in infrastructure help to solve those problems. We'll be working closely with lawmakers to lay the groundwork for meaningful legislation including a highway bill, three percent repeal, and year-end appropriations bills. We'll also have our work cut out for us to ensure that the new fiscal commission established under this debt ceiling agreement moves in the right direction in terms of protecting key infrastructure programs.

Politically, what we have just been through on the debt ceiling debate sets the stage for the upcoming election season, which presents opportunities for ACEC and our growing political program to help shape a number of critical races. We need your continued help in promoting PAC participation with ACEC members to ensure we have the needed resources for aggressive political engagement.

The Fall Conference in Las Vegas – highlighted by high-level CEO and business sessions – will also feature activities to support the PAC.

As always, please feel free to contact me at any time about any issue.

General

* Urged the White House and congressional leaders to protect key infrastructure accounts in the context of current debt ceiling negotiations and a long-term deficit reduction plan.

* ACEC-led grassroots effort to repeal the 3% withholding mandate has now secured a majority of House members as cosponsors of repeal legislation; 29 Senators are also on board.

* Five ACEC coalitions (CASE, COPS, CAMEE, SFC and LDC) undertook a joint strategic planning effort to achieve economies of scale in joint initiatives for membership, dues and marketing.

* Invitations have been sent to MOs for national leadership orientation sessions in Washington, D.C., scheduled for November 3-4, 10-11 and 17-18.

Government Affairs

* FHWA adopted ACEC recommendations in its revised policy guidance pertaining to QBS, contract negotiations, indirect cost rates, compensation and audits.

* Hosted fundraising events for House Minority Leader Steny Hoyer (MD); Sen. Jim Inhofe (OK); Sen. Ben Nelson (NE); Sen. John Barrasso (WY); Rep. Nick Rahall (WV); Rep. Jimmy Duncan (TN), Rep. Geoff Davis (KY); held industry meet and greet for Rep. Richard Hanna (NY).

* Urged members of the House of Representatives to restore funding to the State Revolving Loan Funds for water and wastewater infrastructure projects.

* Signed Partnering Agreement with NAVFAC to maintain and strengthen cooperation.

* Expressed concern to U.S. Army Corps of Engineers over its increased insourcing for civilian construction projects.

* Opposed IRS proposal for 3% withholding to be applied to existing contracts.

ACEC
American Council on Engineering Companies
100 Years of Excellence

2011 Fall Conference
Las Vegas

Registration Information
Coming Soon

October 19-22, 2011 at CAESARS PALACE