



THE UNDERGROUND CONTRACTORS ASSOCIATION OF ILLINOIS LEGISLATIVE UPDATE

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SPECIAL POINTS OF INTEREST:

- **Transportation Infrastructure Plan**
- **Washington Watch**
- **Springfield Watch**

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Senate Sandoval Transportation Chair Endorses Transportation Infrastructure Plan

Senator Martin Sandoval, Chairman of the Senate Transportation Committee, has endorsed a proposal to increase transportation infrastructure spending by \$13.5 billion over the next five years.

The proposal, initiated and supported by TFIC, calls for an increased investment of \$6.1 billion in state highways, \$900 million in local roads, \$5.4 billion in transit system maintenance and improvements, \$500 million for CREATE to reduce freight rail and traffic congestion, \$500 million for passenger rail improvements and \$125

million for small airport maintenance and improvements.

TFIC has recommended that the required program increase be funded by a combination of sources and reduce road fund diversions. Revenue includes the use of state and/or local bonds, and an increase in state and/or local revenues, such as increased driver's license and plate fees, and a modest expansion of existing gaming facilities. The Illinois General Assembly is also considering an increase in the motor fuel tax of at least 8 cents per gallon.



Senator Sandoval speaks at a press conference announcing his support for the TFIC plan.

Who is TFIC?



TFIC stands for the Transportation for Illinois Coalition, a diverse group of over 75 statewide and regional business, organized labor, industry, governmental and not-for-

profit organizations that have joined together in a united and focused effort to support a strong transportation infrastructure in Illinois. UCA is an active participant and member of the group's Steering Committee.

The coalition takes a comprehensive approach involving all modes of transportation, including rail, water, highways and mass transit. TFIC seeks to speak with one voice for all of Illinois regard-

ing transportation funding needs at both the state and federal levels.

Through UCA's membership in this organization we have access to individuals with extensive knowledge and experience with Illinois' infrastructure spending and policy initiatives. Elected officials, public policy advocates, and the media often look to TFIC as an expert and leader in this area.

UCA Supports Media Campaign for Capital Plan

The UCA Board of Directors has approved allocating \$50,000 towards a media blitz aimed at encouraging our elected officials to support a comprehensive capital infrastructure improvement plan.

The commercials are sponsored by the SAFE Roads Alliance which is comprised of the Chicago area Teamsters, Chicago Laborers, Chicago AFL-CIO, Operators Local

150, the Roadbuilders Association and UCA. Together, over \$700,000 will be spent in late April and early May to support this important issue. The ad is posted on our legislative web page.

To contact your legislator, please visit:

<http://www.elections.state.il.us/DistrictLocator/SelectSearchType.aspx?NavLink=1>





UCA members attend a dinner honoring former Deputy Chief of Staff Karl Rove.

"Money is the mother's milk of politics."

-Jesse Unruh, former Speaker of the California Assembly

UCA Political Action Committees

UCA operates both a Federal and State Political Action Committee (PAC) in order to assist those candidates, and elected officials, who support the underground construction industry. Contributions from our PACs are an important part of the political process and are given regardless of specific party affiliation. Simply put, maintaining an ability to provide financial support when needed is a key component of our overall governmental affairs program.

It is important to note that funds for our PACs are not derived from member dues or fees. Instead, contributions are solicited from members voluntarily. We operate the Stronghold Society for those members that wish to directly support our PAC efforts through direct contributions and participation in events involving candidates and elected officials. Those members that contribute are recognized at

events for their leadership and commitment to our industry.

In addition, fundraising events are conducted at UCA's social and membership events to augment direct contributions. Over the past few years, UCA PACs have contributed nearly \$70,000 to federal, state and local officials and candidates.

For more information, please contact UCA's Legislative Affairs Director Scott Dworschak at sdworschak@uca.org or (630) 467-1919.



Peoria Area Members Meet with Illinois Environmental Protection Agency Official

Efforts to build membership outside of the Chicagoland area continued at a recent luncheon held in Peoria recently. We had expected that Doug Scott, Director of Illinois Environmental Protection Agency (IEPA), would speak regarding the activities of this important agency which has a large impact on our industry. Unfortunately, Director Scott was called to Washington to testify before a Legislative Committee.

In his absence, Elmo Dowd, Associate Director of the IEPA, spoke to nearly 50 members assembled representing thirty Peoria area companies and municipalities. Mr. Dowd spoke about the activities of the Water Revolving Funds, construction oversight activities of the IEPA, and other industry related topics. If you have a specific IEPA question or problem, Mr. Dowd can be reached at Elmo.Dowd@illinois.gov.



Statewide contractor members listen to IEPA Associate Director on April 7th in East Peoria, IL.

State Contractors Still Need to Register

Governor Quinn has repealed the executive order established by his predecessor which had barred contractors doing business with the State of Illinois in excess of \$50,000 per year from making any contributions to legislators, or those seeking legislative office.

However, the law which barred contributions for constitutional officers and requires contractors to register with the State Board of Elections remains in effect.

Questions? Visit:

<http://www.elections.illinois.gov/BusinessRegistration/Welcome.aspx?Selected=Business%20Registration>

Bottom line – contractors are: 1) still required to register with state board; 2) are permitted to contribute to legislators again; 3) still cannot contribute to constitutional officers.

It is UCA's opinion that this law does not include sub-contractors to State contracts. If you are in doubt, contributions can always be directed to the UCA PAC which has no similar restrictions.

Did you know...

That over \$720 million dollars are being diverted from the Road Fund (Gas Taxes) this year! Some of those diversions go to fund agencies of state government that are somewhat related to roads (Secretary of State, State Police) however, much more is drawn off to fund services that are totally unrelated. UCA believes that the Road Fund is paid for by user fees --- motorists expect that when they fill up their gas tanks, those taxes go towards road improvements!

2008 Lobbying Expense Percentage

As you already know, according to U.S. Tax Code, UCA must estimate the percentage of dues income that it spends on lobbying activities for each year. This amount is nondeductible for federal income tax purposes.

UCA has calculated that 7% of its dues income for 2008 was spent on lobbying activities. Therefore, in accordance with federal tax law, 7% of your UCA Membership investment will not be deductible for 2008 tax purposes. Of course, you may seek additional guidance from your accountant/tax consultant as needed.

Washington Legislative Watch



On March 12, the US House of Representatives approved H.R. 1262, the "Water Quality Investment Act of 2009", by a vote of 317 to 101. This legislation renews the Federal Government's commitment to clean water by authorizing \$19.4 bil-

lion over the next five years for wastewater infrastructure and other efforts to improve water quality.

For Illinois, this means \$622 million for Clean Water projects for FY 2010-14, an increase of over \$93 million compared to FY 09 figures. Currently, federal support is mixed with a 20% state match within the revolving loan program. This program provides low interest, long term loans to communities seeking to improve their wastewater facilities and transmission lines. Repayments to the revolving fund are then returned to the program to provide additional capital. A similar program exists for drinking water infrastructure needs.

UCA wishes to thank Representative Oberstar, Chairman of

the House Committee on Transportation and Infrastructure, who has been a strong supporter of the Clean Water Act. We would also like to thank Representatives Kirk and Roskam, who supported this important legislation.

While this is good news, our next fight will be in the US Senate to see that this important legislation is moved forward and sent to the President's desk.

Federal Stimulus Money

The \$819 billion plan goes towards numerous programs and affects the construction industry in several ways.

- \$62.75 billion in Infrastructure Projects

- \$30 billion towards Highway & Bridge Programs

- \$6 billion for Clean Water State Revolving Fund

- \$2 billion towards Drinking Water State Revolving Fund

- Illinois' share is broken down as follows:

- \$1 billion for Highways/Bridges

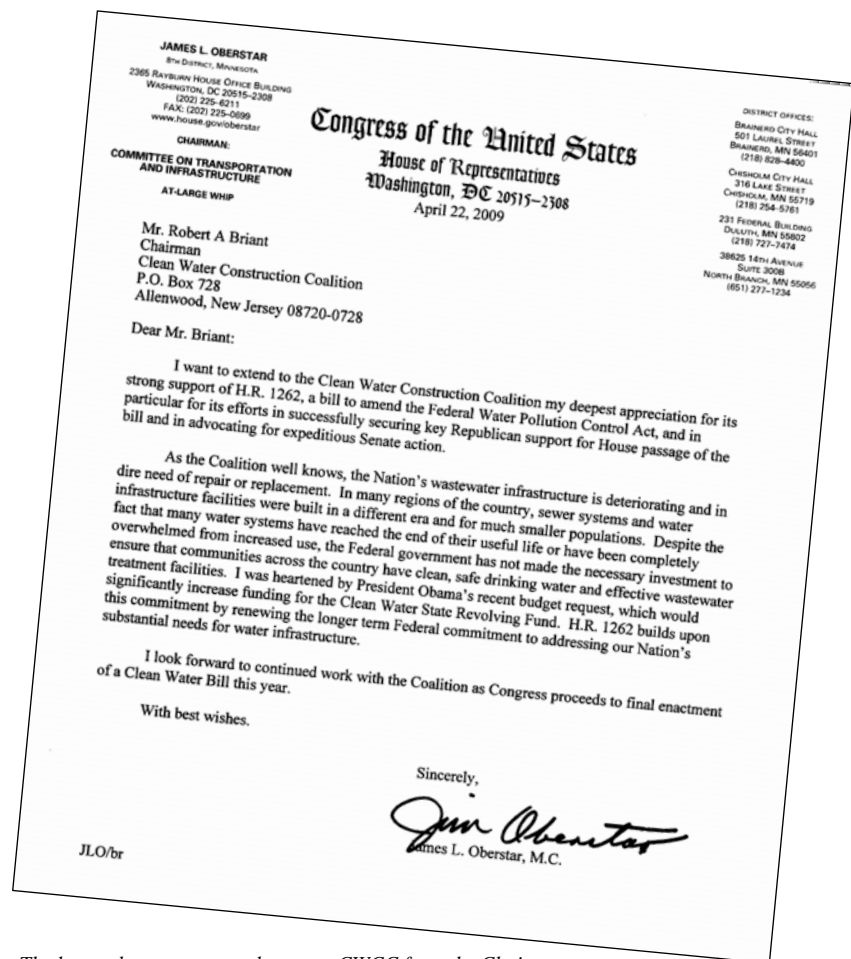
- \$270 million for Clean Water Projects/Revolving Funds

- \$80 million for Drinking Water Projects/Revolving Funds

Clean Water Construction Coalition (CWCC)

UCA is a founding member of the Clean Water Construction Coalition (CWCC) which is comprised of over 26 state associations representing 7,600 member firms. Through our involvement with CWCC we maintain a full time lobbyist in Washington (whose fee is covered jointly by all CWCC members) to support and monitor federal legislation dealing with the underground industry.

CWCC has become a strong voice in our efforts to reauthorize the Clean Water Act and provided a much needed boost in the federal funding support for the Wastewater and Drinking Water Revolving Funds.



The letter above was recently sent to CWCC from the Chairman of the House Committee on Transportation and Infrastructure.

Springfield Legislative Watch



The following is a list of legislative bills still active during the current session of the Illinois General Assembly that may be of interest.

House Bill 1 (Rep. Bradley- Chief Sponsor) UCA Supports

Amends the current Motor Fuel Tax Law to increase the gas tax by 8 cents per gallon, effective July 1, 2009. Provides that monies collected from the additional surcharge shall be deposited into the GROW Illinois Fund, and must be used only for debt service and capital improvements.

UCA supports increasing the "gas tax" in order to provide revenues to support a statewide road improvement plan. We strongly believe that diversions from the Road Fund (nearly \$700 million in FY 10) should be limited to operations directly affecting roadways. We also support additional funding towards an overall Capital Plan that will provide sorely needed revenues to rebuild other types of important infrastructure (i.e. water/sewer and buildings).

Rep. Bradley recently conducted a series of public hearing across the State to hear comments regarding his proposal. Scott Dworschak, UCA's Legislative Affairs Director spoke at several of these hearings to voice our support and remind our elected officials not to neglect the needs of "unseen" infrastructure needs. Federal stimulus monies, and the "mini-capital plan" have helped, but do not alone address the need.

Mini-Capital Plan Passed

On April 2, the Illinois General Assembly passed House Bill 210 which directed a portion of current Road Fund revenues to be bonded in order to provide a quick, albeit small, boost to Illinois' road funding program. Many have termed this plan the "Mini-Capital Plan", while Governor Quinn refers to it as the "Jump Start Capital Plan". In general, the plan author-

House Bill 344 (Rep. Lang /Sen. Pankau Chief Sponsors) UCA Supports

Amends the Contractor Prompt Payment Act to provide that under a construction contract, it is unlawful to withhold more than 5% retainage on payments earned by contractors and subcontractors, and that upon completion of 50% of the work under the contract, retainage must be reduced to an amount not to exceed 2.5%.

UCA Supports this bill since excessive retainage is unproductive and unfair to those completing the work satisfactorily.

House Bill 460 (Rep. Sullivan/ Sen. Bond) UCA Supports

Provides that certain bonds that may currently be used for loans or grants to units of local government for wastewater facilities may also be used for grants to serve unincorporated areas. Authorizes the Environmental Protection Agency to distribute grants to units of local government for financing and construction of wastewater facilities (instead of "municipal wastewater facilities") in both incorporated and unincorporated areas.

UCA supports expanding the use of bonds to assist local communities to build, rebuild, or upgrade wastewater facilities.

Senate Bill 1357 (Sen. Risinger) UCA Supports

Amends the current Illinois Underground Utility Facilities Damage Prevention Act to include "wind generation farms" and additional "cable" facilities. Also seeks to add electric cooperatives into the Act. If passed this bill would become effective on January 1, 2010.

UCA supports this bill and has been working with JULIE represen-

tatives who are seeking these changes.

Senate Bill 1375 (Sen. Milner/Rep. Saviano) MONITORING

Creates the Crane Operator License Act.

Currently, this bill only contains only a short title provision. However, we will continue to monitor its progress as it may affect some of our members' activities.

Senate Bill 1423 (Sen. Link) UCA Opposes

Amends the Prevailing Wage Act. Provides that laborers, workers, and mechanics directly employed by contractors or subcontractors in actual construction work on the site of the building or construction job shall be deemed to be employed upon public works. Provides for coverage of "the transportation of aggregate and excavated materials and equipment operated to haul to or from the site". Provides that to determine the prevailing wage rate for a laborer, worker, or mechanic engaged in the transportation of aggregate or excavated materials or the operation of equipment to haul aggregate or excavated materials to or from the site of the building or construction job, the Department of Labor shall take into consideration the applicable prevailing wage rate. Provides that the transportation by the sellers and suppliers or the manufacture or processing of non-aggregate materials or equipment in the execution of any contract or contracts for public works with any public body shall not be deemed to be employment upon public works.

UCA strongly opposes. This bill broadly expands the coverage of prevailing wage far beyond current legislation and practice. We also strongly disagree that those transporting materials to a particular job site should be covered.

Senate Bill 1607 (Sen. Harmon/Risinger) UCA Supports

Amends the Environmental Protection Act. Changes the definition of "clean construction or demolition debris" (CCDD) to provide that certain materials generated from the construction or demolition of a road may be considered. Provides that general fill soil may contain broken concrete, bricks, or asphalt. Prohibits any person from conducting any generation, transportation, or recycling of general fill soil without certain documentation. Makes other changes regarding the use of soil other than restricted fill soil or general fill soil as fill material. Makes other changes regarding the use of PCDD as fill material.

UCA supports this change to the Environmental Protection Act to allow for efficient discarding of construction debris.

Senate Bill 1891 (Sen. Holmes) UCA Supports

Amends the Workers' Compensation Act to allow for collectively bargained workers compensation. This change would allow union contractors and building trade unions to bargain for a workers' compensation system customized to meet their particular needs.

UCA supports a settlement process which often provides quicker resolution and benefits to individual workers while cutting costs to the employer. Several states have already implemented this concept. UCA is working together with the CISCO organization, Operators Local 150, and other trade organizations to pass this legislation.

UCA is a member of the Illinois Construction Industry Committee (ICIC) and coordinates our state lobbying efforts with 13 other regional construction industry associations.

to area roadways, and mass transit districts.

When Governor Quinn signed the bill he remarked "Illinois has suffered from 10 years without a capital plan. In just 10 weeks we were able to put a plan together that will get people working again this construction season." Together, with the first round of stimulus

transportation funding (nearly \$1 billion for Illinois) it is expected this plan will create and retain approximately 60,000 jobs. Governor Quinn also promised to continue to push for passage of a larger and more comprehensive Capital Plan this legislative session.