

February 4, 2009

The Honorable Richard Lugar
United States Senate
Washington, D.C. 20515

Dear Honorable Richard Lugar:

I am writing you as President of **{Company Name}**. My company consists **{enter specific information about your company: number of employees, what type of work you do}**. The current economic crisis has had a profoundly negative impact on my company and on the entire utility construction industry. As a member of the National Utility Contractors Association, I strongly encourage you to support the infrastructure investment provisions in the American Recovery and Reinvestment Act (ARRA) of 2009 when Congress considers the legislation.

The construction industry has been hit harder by the economic downturn than any other industry. The Bureau of Labor Statistics (BLS) has reported that in December alone, 101,000 construction jobs were lost, marking the 18th consecutive month with significant job loss in the construction industry. In fact, 893,000 construction jobs have been lost since the start of 2007, and the past year has shown an increase in the unemployment rate in construction from 6.5 percent to 15.3% percent. Right now there are more than 1.4 million construction workers out of work. My own company has seen a huge change in the construction industry the past year. We have had to lay off several from our workforce due to the lack of projects. Our infrastructure should be the most important part of our great country and letting it fall apart does not make any sense. Please, do your duty and vote yes for the economic stimulus package so our country can have hope for future generations.

The ARRA includes significant investment in clean water, drinking water, flood control, environmental restoration, and highway and bridge construction, as well as several other provisions that would help get the underground utility construction industry back on its feet. First and foremost, we support significant investment in the EPA's Clean Water and Drinking Water State Revolving Funds. NUCA strongly encourages you to support increasing funding in the ACRA for the Clean Water SRF from \$6 billion to \$15 billion, and the Drinking Water SRF from \$2 billion to \$10 billion. The National Association of Clean Water Agencies estimates that there are \$17 billion in wastewater projects that can have shovels in the ground within 120 days of receiving the okay to process from the respective state agency. Additionally, the American Water Works Association estimates that there are at least \$10 billion in "shovel ready" drinking water projects that can commence in a matter of months if the projects were available. If states work aggressively with municipalities and the utility contracting industry, these jobs will provide a significant economic kick-start.

In addition, NUCA supports the provisions included in the ARRA for: rural water and wastewater grants and loans to help rural communities fund drinking water and wastewater treatment systems; Corps of Engineers projects on environmental restoration, water and wastewater infrastructure improvements, flood protection, and navigation infrastructure critical to the economy; funding for "Superfund" projects that clean up hazardous and toxic waste sites; "Brownfields" funding for cleanup of contaminated and abandoned industrial and commercial sites; funding for cleanup of leaking underground storage tanks; and funding for facility cleanup activities at closed military installations. Finally, NUCA supports at least \$30 billion

for highway, road and bridge improvements. Road and highway funding provides scores of jobs related to relocation of underground utilities, such as storm drains, traffic signals and dry utility. All of the infrastructure categories above have considerable needs and projects that are ready to go quickly if the funding were provided.

Skeptics of infrastructure investment are expressing concern about the capacity within the construction industry to provide the manpower needed to conduct this amount of work in a matter of a few months. However, when one looks at the BLS statistics noted above, it is obvious that hundreds of thousands of workers who have *recently* been laid off are absolutely "ready to go."

In addition, the Congressional Budget Office recently issued a report that questioned the ability of states to quickly spend significant amounts of stimulus money needed to quickly begin infrastructure projects that would create large numbers of jobs. NUCA supports the solution offered by the House Transportation and Infrastructure Committee: Require states to provide assurance that federal funds will be quickly allocated and all information on obligation of funds (including information on contracts awarded) will be provided by regular reports to Congress and to the public. These reports would have to include details such as how all funds are being spent, the number of projects put out to bid and initiated, details regarding the funding associated with the projects, and the number of jobs created by these projects.

Some in Congress are convinced that increasing tax incentives is the best approach to economic stimulus. Take for example the extension of capital investment provisions that allow companies to expedite depreciation and write off new equipment purchases. That's putting the cart before the horse. In order to have a reason to buy new equipment and the wherewithal to purchase it, contractors have to have construction projects to work on. A more enlightened approach would be to feed the starving underground infrastructure market to provide the need for equipment, and *then* provide tax incentives to attract new purchases.

The time to act is now. I and all other NUCA members strongly encourage you to increase infrastructure investment in the ARRA and support its final passage. Thank you for your consideration.

Regards,

{Your Name}

{Company and Title}