How the Stimulus Can Electrify Your Business!

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Stimulus Overview

What is the stimulus?
Where is the money going?
Is the stimulus working?
How can NECA help? What can you do?

The Economic Stimulus

President Obama signed into law H.R. 1, the ‘American Recovery and Reinvestment Act of 2009’ on February 17, 2009. The Act provides $787 billion in new spending and tax incentives that are intended to provide economic stimulus for the American economy.

What is the Stimulus?

Economic Stimulus Timeline

1-28-09: House Passes (244-188)
2-10-09: Senate Passes (61-37)
2-13-09: Conference Report Passes (246-183), (60-38)
2-17-09: President Obama Signs into law
2-19-09: Agencies begin reporting grants
3-3-09: Stimulus funds begin to be distributed
5-3-09: First Stimulus performance report made public

Economic Stimulus By the Numbers

Total Cost: $787.2 Billion
Appropriations: $486.2 Billion
Tax Cuts: $301 Billion
Renewable Energy Incentives: $14 Billion
New Tax Credit for Workers: $116.2 Billion
AMT Patch: $69.8 Billion
Modernize the Electric Grid: $11 Billion
Innovative Energy Loan Guarantees: $6 Billion
Bonus Depreciation Extension: $5.9 Billion
Percentage Energy: 11.1%
Percentage Spent: 12.5% (As of August 5)
Economic Stimulus Appropriations
Energy Infrastructure and Job Creation

Total Appropriations: $486.2 Billion
* Promotion of clean energy and create green jobs: $140 billion
* Electrical Grid Transformation: $11 billion
* Improve Smart Grid reliability, quality, and performance of electrical grid: $4.5 billion
* Establish “Green Building” standards: $4 billion
* Transportation electrification: $400 million
* Vessels could use electrical systems not onboard generators

Economic Stimulus Tax Relief
Total Tax Relief: $301 Billion

3% Withholding: One-year delay, 1/1/2012
Bonus Depreciation
Increased “Expensing” for Small Businesses
Net Operating Loss: 5 year carry back period <$15m
Renewable Energy Incentives:
  * Commercial Building Deduction - $1.80 per square foot
  * Renewable Energy Production Tax Credit — 30%
  * 30% tax credit for residential energy efficient upgrades
  * Tax credit for renewable energy research

Where is the Money Being Spent?
Construction Industry: $131 Billion (27%, 17%)
States: About $40 billion
Highways: $26.7 billion
Transit: $7.4 billion
EPA Clean Water SRF: $4 billion
EPA Drinking Water SRF: $2 billion
State energy offices: $3.1 billion
Federal Agencies: About $90 billion
DOE: $27 billion (including $11 billion for Smart Grid)
GSA: $5.55 billion (including $4.5 billion for green building upgrades)
  $750 million for courthouses, other federal buildings
  $300 million for border stations
DOD: $6.6 billion (repairs, upgrades, energy improvements, barracks, medical buildings)
  VHA: $5.25 billion (hospitals and other medical facilities)

What Industries are Receiving Funds?

Is the stimulus working?
State of the Economy

Unemployment Rate: 14.9 million (9.7%)
Construction: <1.4 million jobs since 12/07
Construction Unemployment: 1.5 million or 16.5%

House Committee on Transportation and Infrastructure, 6/30/09

Estimated Stimulus-Related Employment Effect (Job Creation)

California 421,000
Georgia 113,000
Illinois 158,000
Maryland 70,000
Massachusetts 83,000
New Jersey 106,000
New York 228,000
Ohio 142,000
Pennsylvania 152,000
Texas 286,000

The White House Press Office 2-3-09

AARA Projects by Region

McGraw Hill Construction, 2009

Stimulus at Work: GSA

Awarded Stimulus Contracts:
$2.1 billion by December 31;
Goal: 91% of $5.5 billion obligated by 9/30/2010
Extremely competitive: 30+ bids on each project
Bids 8%-10% below projections

Is the Stimulus Working?

Yes

* Saving and retaining jobs
* 60% retained or saved jobs;
* 35% plan to hire new employees or re-hire laid-off employees
* Highway projects

No

* Many not doing stimulus work
* None available
* Too competitive
* Barriers and challenges to the system
Stimulus Barriers
Scoring Criteria

“Ready to Go” Projects
Extremely Competitive
50% Cost Share
NEPA
“Buy American”
Expect a legal challenge

How can NECA help?
What can you do?

How NECA can Help

• Stimulus opportunities in Government Affairs Update
• Reaching out to legislators to work with NECA chapters
• Providing stimulus opportunity announcements on the NECA website

AARA Solicitation

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RECOVERY—Furnish and install fiber optic communications network for the existing control system, furnish and install Programmable Logic Controllers (PLCs) to replace the existing PLCs, perform Human Machine Interface (HMI) upgrades as necessary to communicate with the new PLCs, furnish and install control network firewalls, and configure Point Marion Master HMI PC as data server. The Point Marion Master shall have the capability to control all six Mon Remotes sites. Existing equipment made obsolete by new work shall be removed and disposed of by the contractor or turned over to the government.

The magnitude of the project is between $250,000 and $500,000. This procurement will be advertised as a Total Small Business Set-Aside. The invitation for bid (IFB) will be issued approximately August 3, 2009 on-line only through the Federal Business Opportunities website, therefore, requests for hardcopies of the specifications and drawings will not be honored. Requests must be made by registering for this solicitation at http://www.fedbizopps.gov. Once registered, vendors, plan rooms and printing companies will be able to download the solicitation and drawings on or after the above issuance date.

Face to Industry website at https://acquisition.army.mil/asfi, click on Contracting Opportunities and follow the directions or go to http://www.fedbizopps.gov, click on Go Find Business Opportunities and follow the directions.

Resources

• http://www.recovery.gov
• http://www.fbo.gov
• http://construction.com/stimulus
• http://necanet.org/take-action