

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?

What is the Stimulus?

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.

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

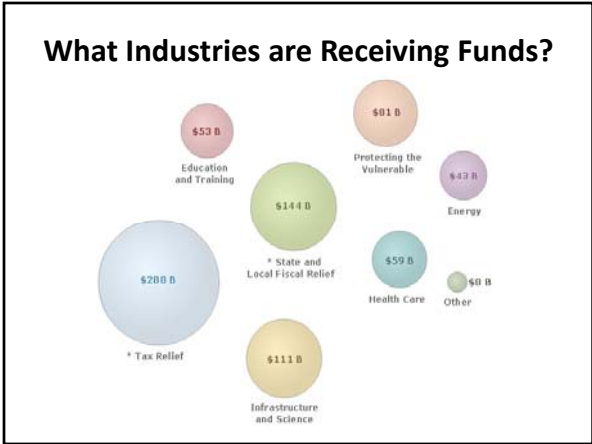
Economic Stimulus Tax Relief Total Tax Relief: \$301 Billion

- 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?

Where is the Money Being Spent? Construction Industry: \$131 Billion (27%, 17%)

- States: About \$40 billion
 - Highways: **\$26.7 billion**
 - Transit: **\$7.8 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)
 - VA: **\$1.25 billion** (hospitals and other medical facilities)



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%

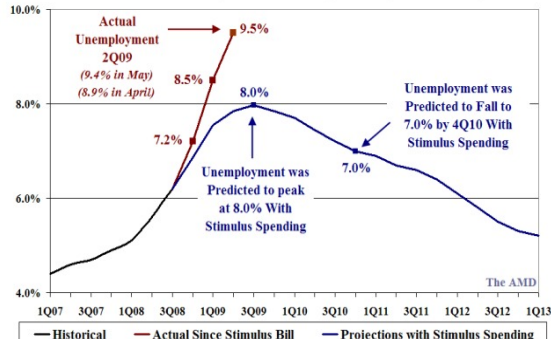
House Committee on Transportation and Infrastructure 9/04/09

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 2-3-2009

Actual Unemployment Versus the Projections Asserted to Justify Stimulus Spending in January



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 | No |
|---|---|
| *Saving and retaining jobs | *Many not doing stimulus work |
| *60% retained or saved jobs; | *None available |
| *35% plan to hire new employees or re-hire laid-off employees | * Too competitive |
| *Highway projects | * 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

Solicitation Number: W911WN0980033
Notice Type: Solicitation
Added: Jul 17, 2009 2:53 pm

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. Request s 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. For additional contracting opportunities go to the Army Single Face to Industry website at <https://acquisition.army.mil/asi/>, 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>