

**Date:** February 17, 2009

**To:** MCA Member Companies

**From:** Todd Miller, Chair, MCA Government Relations Task Force

**Re:** The American Recovery and Reinvestment Act of 2009

We are pleased to provide this detail on the ‘stimulus plan’ that President Obama signed today, as provided by our lobbyist Tom Coleman. While all of the final legislative language has not been made available to the public, the various congressional committees have provided detailed summaries of the bill. This memo identifies portions of the 1,100 page bill that are relevant to MCA and its member companies and makes suggestions on a going forward strategy.

### **Extension and Modification of Credit for Nonbusiness Energy Property**

The bill essentially extends the current tax credit provisions for one year through December 31, 2010, the \$500 lifetime cap is eliminated and replaced with an aggregate cap of \$1,500 in the case of property placed in service after December 31, 2008 and prior to January 1, 2011. These changes are effective for taxable years beginning after December 31, 2008. In addition to these changes, the bill updates the building insulation requirements to follow the prescriptive criteria of the 2009 International Energy Conservation Code.

### **Infrastructure Improvements**

Appropriations were made to fund the following infrastructure improvements:

- \$1.2 billion for VA hospital and medical facility construction and improvements;
- \$3.1 billion for repair, restoration and improvement of public facilities at/on public and tribal lands;
- \$4.2 billion for facilities sustainment, restoration and modernization to be used to invest in energy efficiency projects and to improve the repair and modernization of Department of Defense facilities to include Defense Health facilities;
- \$2.3 billion for Department of Defense facilities including quality of life and family-friendly military improvement projects such as family housing, hospitals, and child care centers;
- \$250 million for energy retrofitting and green investments in HUD-assisted housing projects;

- \$4 billion to the public housing capital fund to enable local public housing agencies to address capital needs especially those improving energy efficiency in aging buildings;
- \$39 billion for the State Fiscal Stabilization Fund that will go to local school districts using existing funding formulas, which can be used for preventing cutbacks, preventing layoffs, school modernization, (emphasis added) or other purposes
- \$8.8 billion to states for high priority needs such as public safety and other critical services, which may include education and for modernization, renovation and repairs of public school facilities and institutions of higher education facilities (emphasis added). It appears both public and private institutions of higher education are made eligible;
- \$4.5 billion for repair of federal buildings to increase energy efficiency using green technology;
- \$5 billion for the Weatherization Assistance Program.

There is a Buy American provision that prohibits funds to be used for a project for the construction, alternation, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. Exceptions are provided in cases where the federal department or agency finds that its application would be inconsistent with the public interest, the relevant manufactured goods are not produced in the U.S. in sufficient and reasonably available quantities and of a satisfactory quality or that the goods produced in the U.S. will increase the cost of the overall project by more than 25 percent. The section is to be applied in a manner consistent with United States obligations under international agreements.

### **Going Forward Strategy**

Because the education funds will be distributed to the states which in turn will determine their own spending priorities, MCA member companies are encouraged to join with other local building and construction groups as well as education groups to assure that some funds be made available for school modernization, renovation and repair. Decisions on how to spend the federal funds flowing into the states will be made by governors and state legislatures. Therefore, it is extremely important for MCA members to position themselves to have input at the state level.

Providing information to and educating state and local education policy makers is critical. We are planning to develop an industry marketing document focused on school modernization. We hope to provide illustrations of energy savings and environmental sustainability that further highlight the tremendous features and benefits of using metal as the material of choice.

In addition, the bill creates a new category of tax credit bonds for the construction, rehabilitation, or repair of public school facilities or for the acquisition of land for the facility. There is a national limitation on the amount of these bonds that could be issued (\$11 billion in 2009 and \$11 billion in 2010). The proceeds from these bond issues would be a good source for funding school modernization at the state/local level and member companies should encourage states to issue them.

Member companies interested in participating in repairing federal government buildings should pursue a listing on the General Services Agency approved vendor schedule. The GSA's website provides guidance on how to get registered. See [www.gsa.gov](http://www.gsa.gov) for more information.

Decisions on use of funds for other federal infrastructure improvements will be made by the various individual federal departments and agencies. Therefore, we anticipate that MCA will be monitoring their implementation process.

The MCA Government Relations Task Force will continue to monitor these developments and provide relevant materials for your use. This is an unprecedented time in our nation's history. We expect to make a compelling case for using the material of choice in construction.

Please contact Mark Engle, Scott Kriner or me with your thoughts and comments.  
Thank you,

Todd Miller, Chair  
MCA Government Relations Task Force