

**SPRING 2007 JOINT GOVERNMENT AFFAIRS COMMITTEE MEETING SEMI-
ANNUAL REPORT
ST. LOUIS, MO. MARCH 9, 2007**

Introduction

I am happy to report that since our last meeting in Arlington, we made significant strides in many government affairs issues. We worked with several coalitions on issues important to our members, including the Government Withholding Relief Coalition which is working to repeal the 3% withholding tax which was signed into law last year as part of broader legislation. We also worked on the House Resolution for National Surveyor's Week which, unfortunately, was not brought up for consideration last year. Also, with the help of COFPAES, we were able to once again stop a Brooks Act violation.

We still have a lot of work ahead of us, however. We are once again facing an uphill battle with Small Business and Association Health Plan legislation and we will most likely have to work on Federal Prison Industries reform legislation. In addition, we are facing new challenges regarding the 3% withholding tax issue, budget cuts in several federal agencies that work with surveyors and a new issue of proposing legislation for the monumentation of abandoned railroads.

Multi-Year Flood Hazard Identification Plan

As part of the FEMA Flood Map Modernization Coalition, we worked with other interested groups for the continued funding and operation of the FEMA Multi-Year Flood Hazard Identification Plan. The latest version of the Multi-Year Flood Hazard Identification Plan was released by FEMA recently and it can be found at http://www.fema.gov/plan/prevent/fhm/mh_main.shtm.

The new MHIP incorporates FEMA's conclusions from its recently issued Mid Course Adjustment. Although we, along with several other groups have asked FEMA to work more on accurate maps, and not be so concerned with digitizing the flood maps; FEMA still seems very concerned only with digitizing the maps. The situation does not appear to be getting better anytime soon, especially since President Bush proposed cuts to the program in the FY 08 budget.

Last year, there were at least two bills that dealt with the Flood Map Modernization issue, but neither of them passed Congress. We hope to get legislation introduced and passed this year to address the issue. To help accomplish this, we developed a position paper which we will use when meeting with Members of Congress on the issue.

Federal Prison Industries Reform

Last year, Federal Prison Industries Reform legislation passed the House of Representatives after much hard work by several organizations including ACSM. We supported language in the legislation that prevented federal prisoners from having access to and digitizing sensitive property information and we fought to keep the language in the legislation the passed the House. The Senate version of the bill was not been brought up for consideration. We expect that Congress will once again introduce legislation relating to Federal Prison Industries reform.

COFPAES

As a member of COFPAES, we work with other A/E associations on issues important to our industry and our members. At the Fall COFPAES Delegates meeting, held in December, 2006, we discussed several important issues. One of those issues was the need to bring more sustaining members into COFPAES. Another topic was the idea of putting together a task force of government members to draw up a white paper on the implementation of A-76 to A/E services which would be presented to OMB as well as OFPP. Each COFPAES member organization should recommend a few people from their organization to work in the task force. We also discussed the possibility of making changes to the Brooks Act. This is a tricky situation because on the one hand, most people would agree that changes need to be made to the Brooks Act. On the other hand, however, most people are concerned about opening up the Brooks Act to

Congressional scrutiny. Of course, a big topic of discussion was the COFPAES lawsuit against the FAR; this is discussed in detail later in this report.

In other COFPAES news, the Army Corp of Engineers issued a Directive in November 2006 calling for all A/E contract services to be procured through the Brooks Act. Also, there appears to be an issue of the U.S. Navy contracting for surveying services in violation of the Brooks Act. COFPAES is still looking into this issue.

Lobby Day

Last year, we had our Lobby Day right before the Fall conference. This proved to be great timing because we had a more participants than we've had in the past. We kept our issues to a reasonable number, only 3 or 4 for the House and Senate and we kept our groups small. This formula has been a success in the past and it once again proved to be successful. We hope that Lobby Day 2007 brings the most participants we've had yet. Additionally, we are going to make some changes to our preparation for Lobby Day. These changes may include role-plays and presetting the meeting assignments.

National Surveyors' Week Resolution

Last year, we got a National Surveyor's Week Resolution passed in the Senate. The House version of the resolution was not brought up for consideration. The House resolution went through the House Government Reform Committee which had a rule that before any legislation could be brought to the full House for consideration; it had to have 50 co-sponsors. Because of our hard work the resolution had 43 co-sponsors. The 50 co-sponsor rule would not be waived and the resolution was not brought up for consideration.

We've already drafted a new Resolution for this year. This new resolution is a Concurrent Resolution, which means that the House and the Senate agree to the same resolution. Rep. Charlie Dent (R-PA) has agreed to introduce the Resolution in the House. We are working to find co-sponsors in the House as well as Senate sponsors.

Trig-Star Funding

We received information from Representative Chris Van Hollen about the grant process for the Trig-Star program. ACSM Headquarters is located in Congressman Van Hollen's district, so he would be the most appropriate person to sponsor any earmarks. Unfortunately, the paperwork and application for earmark consideration was not filed on time, and we will not qualify for consideration this year. Hopefully, we can find another avenue to get some federal funding for the program.

Association Health Care -- Small Business Health Plan Legislation

Three bills relating to Small Business and Association Health Plans have already been introduced in the House of Representatives. No similar legislation was introduced in the Senate. We will continue to monitor these bills and any future AHP legislation.

COFPAES Lawsuit against the FAR

The COFPAES lawsuit against the FAR is moving forward. There recently was a hearing on the Government's Motion to Dismiss. The judge has not yet made a ruling on this issue. All of the documents and filings relating to the lawsuit can be found on the MAPPS website at: <http://www.mapps.org/QBSlawsuit.asp>

Brooks Act Violation

We received another notice from an ACSM member notifying us a solicitation that appears to violate the Brooks Act. We passed the information on to COFPAES for appropriate action and once again the solicitation was pulled because it violated the Brooks Act.

Proposed Legislation Regarding Abandoned Railroad Monumentation

At the last JGAC meeting, we discussed the issue of the need for the monumentation of abandoned railroads. It was decided that we should look into the possibility of drafting legislation to address the issue. After having met with a number of Members of Congress on the issue, it appears that many Members and staff understand the issue and agree that something needs to be done. We are now examining the various ways to introduce appropriate language.

3% Withholding of Payments on Government Contracts

The Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109-222 :: H.R. 4297) was recently passed by Congress and signed by the President in May 2006. The legislation contains a provision, Section 511, mandating that federal, state and local governments withhold 3% from payments for goods and services. This new tax withholding requirement affects all government contracts as well as any payment to any person for a service or product provided to a government entity. The withholding is based on revenues from government payments with no relationships to a company's taxable income.

Section 511 requires tax withholdings at a rate of 3% on all government payments for products and services made by the federal government, state governments, and local governments with expenditures of \$100 million or more. It affects payments for goods and services under government contracts as well as payments to any person for a service or product provided to a government entity. It applies to all payments starting in 2011.

ACSM recently joined a newly formed coalition called the Government Withholding Relief Coalition. The coalition is comprised of approximately 60 business associations working together to repeal Section 511 of the Tax Increase Prevention and Reconciliation Act of 2005. This year, the coalition worked on lobbying many Members of Congress on the issue. Additionally, the coalition wrote a letter to the Assistant Secretary for Tax Policy with the U.S. Dept. of Treasury asking for repeal of Section 511, a letter to Congressman DeFazio regarding reports that the effective date would be accelerated and that withholding tax would be used as a revenue offset for the reauthorization of the Secure Rural Schools and Community Self-Determination Act of 2000, and a letter to Congressmen Kendrick Meek and Wally Herger thanking them for their introduction of H. R. 1023, which would repeal Section 511.

Federal Agency Budget Cuts

The President's FY 08 budget came out in February and it included funding cuts to a number of federal programs affecting surveyors. Some of those proposed budget cuts include: a proposed cut of \$3.2 million to the BLM Cadastral Survey program, a proposed cut of \$1.6 million to USGS Geography programs (\$323,000 from the Land Remote Sensing Program and \$1.3 million from the Geographic Analysis/Monitoring Program). There is also a proposed cut of \$8 million to the FEMA Flood Map Modernization Program and there is no funding being proposed for the FRA NDGPS program.

Congress Scorecard

I am proposing that we develop a scorecard to keep track of how Members of Congress vote on issues affecting us. The scorecard can help us determine who we should support through the PAC. At the end of the year, we can host a fundraiser for the Member who voted the most times in our favor.

Tax Gap Issue

Near the end of 2006, ACSM was invited to join the Coalition for Fairness in Tax Compliance. This coalition was formed by the National Federation of Independent Businesses, the U.S. Chamber of Commerce and the Small Business Legislative Council.

As a bit of background on the issue; in 2005 the IRS presented evidence of a significant amount of tax revenue that was not being collected by the federal government. The IRS estimated that the tax gap, the tax revenue not being collected by the federal government, was approximately \$345 billion. The IRS believes the tax gap came from both an underreporting of incomes and an overstatement of deductions and expenses. Congress is interested in closing the tax gap as both

a matter of fairness and a potential revenue source. The Coalition for Fairness in Tax Compliance was formed to make sure that the interests of business are protected as Congress debates the issue.

Contributions to Fundraisers and PAC activity

The PAC made several contributions to fundraisers so far this year. In an effort to keep everyone informed about what I do at these fundraisers I've started a policy of sending out a report on all of the fundraisers that I attend.

Conclusion

As you can see, we've been very busy this year, but there is still a lot of unfinished business and plenty of new issues for 2007. I welcome all questions, suggestions and comments on these issues.

Sincerely,

Laurence Socci
The C. L. A. Group
Government Affairs Consultant