



President Signs CASE/ACEC-Backed Class Action Reform Legislation

The President today signed the ACEC-endorsed Class Action Fairness Act, his first major legal reform initiative to be enacted into law.

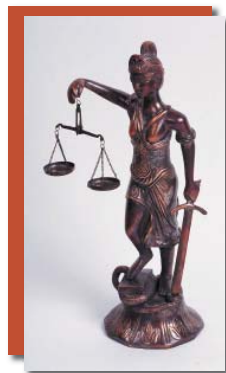
The new law represents a carefully crafted compromise to address abuses in the class action lawsuit system. The measure will permit multi-state class action litigants to move their cases to federal courts and avoid “judicial hellholes” or certain state courts known for anti-business jurors and outrageous jury awards.

This legislation died in previous Congresses. This year, new House and Senate members tipped the balance in favor of legal reform. “The bottom line is that political wins equal legislative

wins, which is why building ACEC’s PAC is so important,” said ACEC Chairman Bill Howard.

The President is now calling on Congress to enact additional reforms, including legislation to curb runaway medical malpractice awards that drive up the cost of health insurance for engineering firms.

ACEC and other business groups are also advocating a broad reform agenda, including Good Samaritan protections and joint and several liability reforms. ■



CASE is a part of the American Council of Engineering Companies

ACEC-Backed Healthcare Legislation To Provide Savings For Members



Senator Olympia Snowe (R-ME) introduced Association Health Plan (AHP) legislation this week, which would benefit CASE/ACEC members.

Titled the Small Business Health Fairness Act (S. 406), similar legislation was introduced last week in the House by Rep. Sam Johnson (R-TX) and Rep. Nydia Velazquez (D-NY), setting the stage for a drive to pass this legislation before the end of the year.

ACEC has long advocated AHP legislation, which would create more opportunities for businesses to pool together across state lines through trade associations to purchase health insurance from a provider, or self-insure in the same manner as that of large employers and labor unions.

“We support the AHP legislation for one simple reason—it will translate into savings on health care costs for ACEC

members,” said Derrell Johnson, president of ACEC’s Life/Health Trust.

ACEC is one of the few associations that currently offers its members the benefits of a nationwide AHP. However, ACEC’s health plan currently must comply with 50 individual sets of state regulations, which increases administrative costs and hampers the ability of some ACEC members to access the plan. The Small Business Health Fairness Act would correct these problems, creating uniform regulations for all states, and allowing firms of all sizes to be covered.

House bill, H.R. 525, already has 94 bipartisan cosponsors. Similar legislation was adopted in the House with strong bipartisan support in 2003 and 2004, only to have the measure die in the Senate. However, the election of five new Senators who supported the AHP legislation during their tenure in the House, and the support of Democratic Senator Robert Byrd, provides a stronger foundation for building additional support for the bill in 2005. ■

Zero Claims

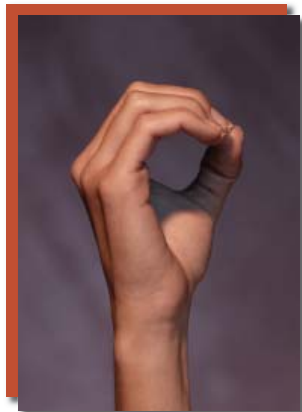
That is one of the goals of the CASE Risk Management Programs as established at its recent strategic planning session. You may or may not have an opinion on how realistic that might be, but it is RMP’s number one goal. Following that are:

- Improved quality of structural engineering services resulting in appropriate compensation for the risks involved.
- Improved work environment for structural engineers.
- Recognition of the value of the RMP by structural engineers and their insurance providers.
- Reduced insurance premiums for participation in RMP.
- Involvement of all structural engineers at all levels of their practice.

How can those goals be reached? Here are the strategies:

1. Conduct Convocations that engage structural engineers in risk management.
2. Develop tools for risk management.
3. Engage the insurance providers in RMP.
4. Proactive communication internally with the profession.
5. Review risk management documents.
6. Improve and increase the readership of the RMP website – www.acec.org/rmp
7. Conduct loss prevention online seminars.
8. Develop of certification program for firms in risk management.
9. Promote favorable legislation.

The meeting also resulted in a change in the Vision Statement for RMP. It now reads – RMP is the leading provider of risk management and technology for use in the practice of structural engineering. Its mission is to improve the practice of structural engineering by reducing the frequency and severity of claims. ■



CASE In Point

CASE/ACEC Urges Treasury to Adopt Broad A/E Services Definition for 9 Percent Tax Benefit

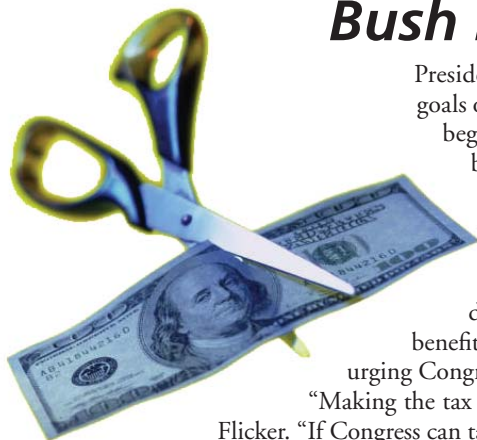
As the Treasury Department begins development of regulations for the American Jobs Creation Act, A/E tax benefits, CASE/ACEC is working to ensure that the agency adopts broad definitions of engineering services that will qualify for the new tax deduction.

The regulations will provide a 9% deduction for A/E firms for income derived from A/E services performed in the U.S. for domestic construction projects. The deduction will be phased in over six years.

Broad regulatory definitions of engineering services and construction projects would maximize the benefit to A/E firms and simplify the record keeping and reporting requirements.

In a letter to the Treasury Department, ACEC President Dave Raymond urged incorporation of broad definitions already in use in the Foreign Sales Corporation tax regulations, pointing out that use of existing definitions would simplify the task of implementation. ■

Bush Promises Major Tax Reform



President Bush has declared that simplification of the tax code is one of the major goals of his second term. A bipartisan tax commission appointed by the President will begin its consideration of proposals, including options, such as a consumption-based tax or a flat tax, early in 2005 and will then make recommendations to the Department of Treasury.

While simplification of the tax code will be a major priority, President Bush also will likely propose other tax provisions in his fiscal year 2006 budget. The tax cuts enacted in Bush's first term – including the repeal of the death tax and lowering tax rates on capital gains and dividends to 15%, which benefits S corporations – will expire by 2011, at the latest. The president has been urging Congress to make these tax cuts permanent.

"Making the tax cuts permanent makes a great deal of sense" said Former ACEC Chairman Eric Flicker. "If Congress can take action to eliminate the uncertainty over these provisions, it makes it easier to do the kind of long-term planning that growing companies need to do to ensure success."

CASE/ACEC is supportive of extending these tax benefits, and also is engaged in other tax issues on behalf of the industry, including securing passage of legislation to preserve the ability of A/E firms to use cash accounting. ■



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OSHA Offers Pocket Card for Excavation and Trenching

A new OSHA safety information pocket card, *Safety in Excavations or Trenches*, will help workers and employers understand safe trenching practices and the federal requirements for construction excavation safety. The cards are printed in English on one side and Spanish on the other.

The cards can be downloaded from OSHA's web site on the publications page, or can be ordered by calling OSHA's publications office at (202) 693-1888.

"This new card provides practical, yet critically important, information that can help save lives," said Acting Assistant Secretary of Labor for OSHA Jonathan L. Snare. "We know that construction excavation can be dangerous work and that's why it important that we make every effort to provide these workers the tools they need to stay safe on the job." ■

