

Testimony

Of

Ronald Nunes

President
Utility Contractors Association of RI

Vice President
National Utility Contractors Association

President
R.T. Nunes & Sons Construction Co., Inc.

Before the

U.S. Senate
Committee on Environment and Public Works
Field Briefing

Wednesday, September 2, 2009
10:00 am
Narragansett Bay Commission Offices
Providence, RI

“Investing in our Future and Protecting our Environment:
Water Infrastructure Needs in Rhode Island”

MY NAME IS RONALD NUNES, PRESIDENT OF THE UTILITY CONTRACTORS ASSOCIATION OF RI- UCARI; A VICE PRESIDENT OF THE NATIONAL UTILITY CONTRACTORS ASSOCIATION AND PRESIDENT OF A SMALL, FAMILY OWNED CONSTRUCTION BUSINESS, R.T. NUNES & SONS CONSTRUCTION CO., INC. OF WEST WARWICK, RI.

ON BEHALF OF THE UTILITY CONTRACTORS ASSOCIATION OF RHODE ISLAND, I AM PLEASED TO HAVE BEEN IUNVITED TO PROVIDE TESTIMONY TO THIS HONORABLE COMMITTEE ON AN ISSUE OF EXTREME AND NECESSARY IMPORTANCE- OUR UNDERGROUND INFRASTRUCTURE AND CLEAN, HEALTHY DRINKING WATER.

SINCE 1973, UCARI HAS BEEN SERVING RHODE ISLAND,
MASSACHUSETTS AND CONNECTICUT IN BRINGING PUBLIC
AWARENESS TO THE DIRE NEEDS OF REPLACING OUR WATER,
WASTEWATER AND UTILITY UNDERGROUND
INFRASTRUCTURE. AS YOU ARE AWARE, NEW ENGLAND HAS
SOME OF THE OLDEST UNDERGROUND INFRASTRUCTURE IN
THE NATION WITH SOME WOODEN AND BRICK PIPES STILL IN
USE TODAY.

FOR OVER 35 YEARS, UCARI ALONG WITH OUR NATIONAL
ORGANIZATION, THE NATIONAL UTILITY CONTRACTORS
ASSOCIATION –NUCA, HAS BEEN FOSTERING A NATIONAL
PARTNERSHIP THROUGH EDUCATING OUR LEADERS IN

WASHINGTON, DC AND ACROSS THE COUNTRY REGARDING THE
EXTREME PROBLEMS OUR INFRASTRUCTURE FACES IN
OBTAINING FEDERAL FUNDING FOR THEIR REPAIR AND
REPLACEMENT.

ON APRIL 17, 2006, UCARI WAS PLEASED TO ACCEPT NUCA'S
INVITATION TO HOST THE NATIONAL CAMPAIGN KICKOFF OF
THE "AMERICANS FOR PURE WATER" IN EAST PROVIDENCE.

THIS EVENT WAS ATTENDED BY THEN SENATOR LINCOLN
CHAFEE, CONGRESSMAN PATRICK KENNEDY AND OTHER
NATIONAL, STATE AND LOCAL OFFICIALS.

TODAY, NUCA, THROUGH ITS CHAIRING OF THE "AMERICANS
FOR PURE WATER CAMPAIGN" HAS DEVELOPED INTO A GRASS
ROOTS ORGANIZATION OF OVER 34 TRADE AND SUPPLIER

ASSOCIATIONS LOBBYING CONGRESS FOR INCREASED
FUNDING.

WHILE I AM SURE YOU ARE AWARE OF THE NATION'S FUNDING
NEEDS, RHODE ISLAND'S NEEDS HAVE ONLY INCREASED DUE
TO LACK OF FEDERAL SUPPORT. OVER THE LAST 15 TO 20
YEARS, RHODE ISLAND'S PROJECT LIST HAS GROWN WELL
OVER \$ 1.5 BILLION WHILE FEDERAL FUNDING LEVELS HAVE
DECREASED TO A MERE \$ 8 MILLION IN 2008 AND
APPROXIMATELY \$ 4.8 MILLION IN FY 2009. HOWEVER, THE
INFUSION OF APPROXIMATELY \$ 58 MILLION IN STIMULUS
MONIES PROVIDED FOR UNDER THE AMERICAN RECOVERY
AND REINVESTMENT ACT, WILL CERTAINLY GIVE A NEEDED

BOOST TO BEGIN THE PROCESS OF REPAIRING AND REPLACING
OUR UNDERGROUND INFRASTRUCTURE ESPECIALLY OUR MOST
IMPORTANT ASSET- CLEAN, HEALTHY DRINKING WATER. ANY
FUTURE DECREASE IN FUNDING WILL SURELY IMPACT THE
STATE'S ABILITY TO CONTINUE REPAIRING AND/OR REPLACING
OUR WATER INFRASTRUCTURE AND WILL PLACE THE SAFETY
AND HEALTH OF MANY RHODE ISLANDERS IN DANGER OF
CONTAMINATED AND INADEQUATE WATER SUPPLIES.

IN SPEAKING WITH FELLOW MEMBERS ACROSS THE COUNTRY,
THEIR STATE'S FEDERAL STIMULUS MONIES HAVE BEEN
FLOWING FOR SOME TIME. BUT RHODE ISLAND CONTINUES TO
BE ANOTHER STORY. THERE HAS BEEN A SNAIL'S PACE
RELEASE OF STIMULUS MONIES IN THE STATE WHICH HAVE

CREATED HIGHER THAN EXPECTED JOB LOSSES, INCREASED UNEMPLOYMENT NEARING 13% AND SOME OF OUR MEMBERS BOTH UNION AND NON-UNION BUSINESSES DOWNSIZING OR JUST SIMPLY CLOSING THEIR DOORS.

UCARI IS AN ORGANIZATION MADE UP OF UNION AND NON-UNION COMPANIES, SUPPLIERS, VENDORS, AND PROFESSIONAL SERVICE ORIENTED PROVIDERS. BECAUSE OF THE RESTRICTIONS AND MANDATES PUT ON THE RELEASE OF STIMULUS MONIES, OUR UNION HALLS HAVE BECOME OVERWHELMED WITH LAID OFF MEMBERS. THE LAST REPORT I RECEIVED HAD MORE THAN 400 LABORERS AND OVER 250 OPERATING ENGINEERS LOOKING FOR WORK.

YOU SHOULD KNOW THAT WHILE WE UNDERSTAND
TRANSPORTATION STIMULUS MONIES WERE AS SLOW COMING
OUT, ONLY THE BIGGER COMPANIES WITH THE ABILITY TO
HANDLE MULTI MILLION DOLLAR PROJECTS HAVE REAPED THE
BENEFITS LEAVING THE SMALLER BUSINESSES SCRATCHING
FOR WORK. WE ONLY HOPE THAT ANY FURTHER RELEASE OF
STIMULUS MONIES WILL CREATE BIDDING OPPORTUNITIES FOR
A BROAD SPECTRUM OF SMALL TO MID SIZE COMPANIES.

AS WAS PUBLICIZED AT THE OUTSET OF THE STIMULUS PLAN,
THE RELEASE OF FEDERAL MONIES WAS FOR SHOVEL READY
PROJECTS WHICH TO MY UNDERSTANDING WAS PREPARED
WELL IN ADVANCE OF THE ACTUAL RELEASE, BUT YET STILL
REMAINS SLOW TO RELEASE. WHILE WE UNDERSTAND THE

ISSUES OF ENORMOUS PAPERWORK AND EXTRAORDINARY
RESTRICTIONS WITH USE OF THE FUNDS, THIS HAS ONLY
CAUSED UNNECESSARY DELAYS IN AWARDING OF PROJECTS
CREATING EXTREME HARDSHIPS FOR NOT ONLY OUR
MEMBERS BUT ALL RHODE ISLAND COMPANIES. I NEED NOT
REMINDE YOU OF THE TRICKLE DOWN EFFECT THE IMMEDIATE
RELEASE OF THESE FUNDS WOULD HAVE HAD AND HOPEFULLY
WILL HAVE ON OUR STATE. NOT ONLY WILL COMPANIES, BOTH
LARGE AND SMALL BEGIN TO WORK AGAIN, THEY WILL ALSO
BE SUPPORTING VENDORS, SUPPLIERS AND OTHER INDUSTRY
BUSINESSES THAT WILL CREATE A WHOLE OTHER LEVEL OF
FINANCIAL GROWTH OUTSIDE OF OUR INDUSTRY.

SINCE THE PUBLIC WORKS PROJECTS ESTABLISHED THROUGH THE EFFORTS OF PRESIDENT ROOSEVELT, HISTORY HAS SHOWN THAT OUR NATION'S ECONOMY THRIVES AS A RESULT OF PUTTING OUR INDUSTRIES TO WORK. THE CLEAN WATER COUNCIL STUDY, WHICH NUCA CHAIRS, FOUND THAT EVERY \$1 BILLION INVESTED IN WATER AND WASTEWATER INFRASTRUCTURE – (1) CREATES NEARLY 27,000 NEW JOBS WITH AN AVERAGE ANNUAL EARNINGS OF MORE THAN \$ 50,000; (2) RESULTS IN TOTAL NATIONAL OUTPUT SUCH AS DEMAND FOR PRODUCTS AND SERVICES IN ALL INDUSTRIES- OF BETWEEN \$ 2.87 AND \$ 3.46 BILLION AND GENERATES ANOTHER \$ 1 BILLION OR SO IN PERSONAL OR HOUSEHOLD INCOME; AND (3) MOST IMPORTANTLY GENERATES APPROXIMATELY \$ 82.4 MILLION IN STATE AND LOCAL TAX REVENUE. AT A TIME WHEN

STATES ARE FACING HUGE BUDGET DEFICITS, FUNDING THESE
PROJECTS IS NOTHING LESS THAN SOUND ECONOMIC
INVESTMENT BY GOVERNMENT ORGANIZATIONS.

ON BEHALF OF UCARI, OUR EXECUTIVE DIRECTOR BOB
LAFLEUR AND OUR OFFICERS AND DIRECTORS, I WOULD LIKE
TO THANK SENATOR SHELDON WHITEHOUSE FOR HIS
INVITATION AND WILLINGNESS TO ADDRESS THIS
VERY IMPORTANT ISSUE AND FOR THE OPPORTUNITY TO
PROVIDE OUR ASSOCIATIONS' VIEWS AND TESTIMONY IN
HOPES OF BRINGING A SOUND PLAN OF ACTION TO
ADDRESSING THE NEEDS OF OUR NATION'S AND STATE'S
AGING UNDERGROUND INFRASTRUCTURE.