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By now virtually everyone in Virginia who can read knows that the 2006 session of the Virginia General Assembly adjourned without completing the single most important task before them – passing a two-year state budget. The reason for this failure is disagreement between republicans in the House and Senate over how much new money is needed to fix and maintain Virginia’s transportation system, and how best to raise those revenues.

RAMCA, working with our sister organizations in Tidewater and northern Virginia under the banner of the Virginia Utility & Heavy Contractors Council (VUHCC), worked hard every day of the session in support of new, long term, adequate, and sustainable transportation funding for Virginia. These efforts paid off in the Senate, where a plan was offered that met these requirements, as well as with the Governor who generally supports most aspects of the Senate plan. The republican-controlled House of Delegates, however, continues to remain steadfast in their opposition to adequately funding the state’s transportation needs or approving new taxes for that purpose.

The result is that the normal 60-day session has now met for over 100 days in special session and many believe legislators could continue to meet for weeks to come before the differences in the various transportation funding plans are resolved, and a new state budget is approved. RAMCA’s Executive Director continues to monitor this situation closely and is engaged in ongoing discussions with state legislators as the negotiations continue.

Legislators did make some progress in the area of transportation during the regular session

Legislation promoting better transportation efficiency includes:

HB 666 (Delegate Wardrup) eliminates the number and dollar limitations on awarding of design-build contracts by the Commonwealth Transportation Board.

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HB 667 (Delegate Wardrup) improves the efficiency of maintenance operations and allows for more flexibility in privatizing maintenance contracts for transportation.

HB 676 (Delegate Wardrup) requires the Commonwealth Transportation Commissioner annually to report to the General Assembly on the Virginia Department of Transportation's efforts regarding outsourcing, privatization, and downsizing.

SB 196 (Senator Williams) allows the Commonwealth Transportation Board to enter into written agreements with localities for the building and maintenance of any of the roads in any system of state highways by local employees.

This session also significantly reformed the way in which transportation and land use are connected. Bills improving land-use include:

SB 699 (Senator Houck) requires traffic impact statements to be created for new rezoning requests, so that local planners will know how much traffic would be generated before they act on a request. The Department of Transportation will also provide comments on proposed changes to local comprehensive plans before they are adopted, to help localities understand the effect changes might have on local roads.

SB 373 (Senator Watkins) allows for transfer of development rights, allowing communities to help guide development toward more efficient patterns while protecting the property rights of local landowners. TDR programs will allow landowners in areas marked for conservation to voluntarily trade their development rights to parcels in developed areas, and to be compensated for their loss of property value.

SB 374 (Senator Watkins) promotes cluster development, allowing development while protecting open space. Developers with large parcels of land will be allowed to cluster their development in one part of the property, in exchange for permanently protecting the remainder of the property as a park or open space. The Governor's recommendation includes technical amendments.

SB 412 (Senator Houck) strengthens the Intermodal Office of the Department of Transportation, giving the office the specific charge to advocate for better links between roads, rail, air and sea ports, and to develop performance measures for state and regional efforts to connect our transportation network. The Governor's recommendation includes additional responsibilities in coordinating modes of transportation.

HB 686 (Delegate Brink) allows localities to require sidewalks whenever a parcel is developed that adjoins an existing sidewalk, better connecting neighborhoods.

Legislation enhancing local authority over transportation includes:

HB 201 (Delegate R.G. Marshall) allows adjoining counties, cities, and towns to enter into agreements for the construction and operation of toll highways, bridges, and ferries within their boundaries.

SB 720 (Senator Wagner) allows localities to establish tolls on new roads or new road capacity. The Governor's recommendation includes a minor technical amendment.

Finally, HB 1248 (Delegate Hugo) extended a law set to expire that allows hybrid vehicles to use High Occupancy Vehicle (HOV) lanes. The bill also provides additional funding for HOV enforcement. The Governor's recommendation includes a technical amendment.

A substantial number of non-transportation bills affecting RAMCA members were also lobbied by the VUHCC. You are encouraged to review these bills, which in some cases will become law on July 1st, by visiting the RAMCA website and clicking on the Legislative News section. The legislative reports found in that section will provide you with a summary of legislation tracked by the VUHCC. In addition, you can click on any single bill number or summary and the entire bill will come up. (Note – this is a Members Only section of the website and will require password access. If you have forgotten the password, contact the RAMCA office.)

RAMCA will report on the final outcome of the current budget stalemate. But expect it to be a while!

MATERIAL PRICES CONTINUE TO SOAR



Construction materials associated with highway and road construction continue to soar, rising over 12% in February compared to the previous year, according to the Bureau of Labor Statistics. The rate of inflation during the same period rose 3.6%. Asphalt paving costs increased 15.9% in the February-to-February comparison, and cement prices increased 14%. For those RAMCA members contemplating long-term contracts without product escalation clauses, keep these numbers in mind!

INSTALLATION OF OFFICER'S BANQUET A SPECIAL OCCASION

RAMCA held its 42nd Installation of Officer's Banquet on a snowy Saturday night in mid-February. Despite the weather, a large turnout of members attended and enjoyed a festive and memorable evening as three special presentations were made honoring some of the pillars and founding fathers of this association.

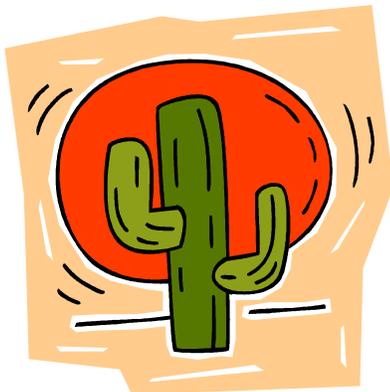
Lifetime Achievement Awards were presented posthumously to G.L. "Gilly" Howard, Fred Barnes, and Stamie Lyttle. Family members of each recipient were present to receive the awards, and hear comments from key RAMCA members about the contributions made to RAMCA and our industry by these industry giants. It was indeed a special moment with not many dry eyes in the room.

Outgoing Board members Bill Howard and Keith Frazier also received plaques for their service to RAMCA, as did Immediate Past President Jim Patterson who was presented with the outgoing President's Gavel Plaque along with a special gift from the membership in honor of his leadership and service to the association.

Finally, this impressive event could not have been held without the support of sponsoring members. A listing of these companies is attached, and RAMCA thanks them for their ongoing support.

NEXT YEAR'S BANQUET IS SCHEDULED FOR FEBRUARY 17TH AT HERMITAGE COUNTRY CLUB! MARK YOUR CALENDARS NOW AS THIS EVENT WILL BE SPECTACULAR!

06 MANAGEMENT ANOTHER GREAT TRIP



Ask any attendee from the just concluded 18th Annual RAMCA Management Conference, and they will tell you about a first-class hotel, perfect weather, great programs, unlimited activities and terrific opportunities to network with other RAMCA members. The mid-April conference to Rancho Mirage, California went off flawlessly. Members heard presentations from the Mayor of Rancho Mirage, along with the Director of Public Works. RAMCA President Dave Cosby and staff led a discussion about matters pending before the Virginia General Assembly, and other issues facing RAMCA. And then, sadly, attendees had to pack up and return home. Despite that fact, treasured RAMCA memories were created for those who found the time to participate.

MISS UTILITY UPDATES

RAMCA continues to play a strong role in representing the interests of excavators on matters affecting underground damage prevention and the implementation and enforcement Virginia's Miss Utility laws.

RAMCA member Johnnie Barr (Ward & Stancil) and staff continue to work on a pilot project designed to demonstrate the benefits of technological enhancements in locating and communicating dig locations. Substantial federal funding is anticipated for this project due to its national implications, and a small and diverse group of contractors will shortly be selected to participate in the study. We may be calling you!

For several years RAMCA and members of the association's Underground Damage Prevention Committee have been complaining about the way some utilities go about collecting for damages to their underground facilities. Often times bills are sent to contractors irrespective of whether they were responsible for the damage. In many instances, billing is not detailed enough for the excavator to even know what he is being charged for. Sometimes illegal charges are included such as "loss of product or use". And the growing use of out-of-state collection agencies that constantly hound contractors appears on the rise. At the just-concluded 2006 Virginia Damage Prevention Conference a breakout session explained how New Jersey had established an arbitration board to handle most of these types of claims in a fair, and expeditious manner. RAMCA knows a good idea when we see one and we have requested the State Corporation Commission to host a meeting of senior utility officials and excavators to begin a discussion on launching a similar effort in Virginia. We are not holding our breath, but we believe both excavator and utility could gain from following the New Jersey model. Stay tuned.

RAMCA member Dave Ward (Ward & Stancil), a member of the State Corporation Commission's Advisory Committee on Underground Damage Prevention, reports that the Committee has issued an Advisory Policy Statement based on a situation posed by a RAMCA member, (and faced by almost every utility contractor) who needed to cover his installation of utility line construction at night, and uncover it again the next day to proceed with work. The Advisory Policy is attached. It has been approved by the Commission and is now in effect.

MEMBERS IN THE NEWS

Welcome New Member – RAMCA welcomes our newest Associate Member - Virginia Asset Management. Tripp Leonard, Jeff Myers, and Scott Broaddus represent this firm of financial advisors. Please welcome these folks when you see them at upcoming RAMCA events.

Vulcan Materials Receives National Award – Vulcan Materials was recently named one of "America's Most Admired Companies" by Fortune Magazine. It was the fifth year that Vulcan has received this recognition. In its industry category Vulcan rated number one in use of corporate assets, financial soundness, and long-term investment. Congrats to all the good folks at Vulcan Materials.

Free Legal Advice – RAMCA member and construction attorney Fred Kozak knows well the problems contractors face in filing, and actually collecting, claims for additional compensation on construction contracts. So attached with this newsletter is Fred's primer on The Hidden Pitfalls of Contractor Claims. If you are a contractor sooner or later you will have one, (a claim- that is) so start reading! Thanks to Mr. Kozak for preparing and sharing this information.

RAMCA Officers

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David Cosby
Sovereign Paving, Inc.

Vice President
James H. Martin, Jr.
J.H. Martin & Sons Contractors, Inc.

Secretary/Treasurer
J. Michael Todd
Keiter, Stephens, Hurst, Gary &
Shreaves

Immediate Past President
Jim Patterson
F.G. Pruitt, Inc.

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Ward & Stencil, Inc.

Steve Rhyne
Rhyne Contractors, Inc.

Chris Shelton
Shelton Corporation

Richard E. Smith
RJ Smith Construction

Associates

Ben Steele
Martin Marietta Aggregates

Brad Duty
Luck Stone Corporation

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Lee White
Draper Aden Assoc.

Wilson Whitehurst
Whitehurst Paving

Staff

Executive Director
Mark I. Singer

Office Manager
Judy Frederick

JOINT COOPERATIVE COMMITTEE TAKING ON TWO ISSUES

Indexing Asphalt – For over 30 years VDOT has permitted price adjustments for the cost of liquid asphalt. Since only two localities maintain their own roads in Virginia, this VDOT indexing program generally applies to road projects throughout the state. But Henrico County is one of those two localities, therefore the VDOT program is not applicable. RAMCA thinks it should be and is in the process of meeting with officials from Henrico's purchasing, works, and utilities departments to explain the VDOT program and urge county adoption of it.

Geo-Tech Issues – The RAMCA office has been receiving a growing number of complaints arising from inconsistent and sometimes inaccurate asphalt testing procedures being conducted by geotechnical engineers for owners and developers, primarily on subdivision road work and commercial projects. In an effort to better understand all perspectives and hopefully to achieve more consistent and technically sound test results, RAMCA is bringing together a group of effected members and representatives of the areas leading geotech firms for an informal discussion. The hope is that by improving the lines of communication and sharing our concerns, mutually beneficial solutions will evolve.

RAMCA will keep you posted on progress in both of these important areas.

**NEXT UP, SOME MIGHTY FINE GOLF**

RAMCA's next big event is the George Bickerstaff Annual Golf Outing. This year's event will be held at one of the region's premier golf courses – Royal New Kent. Members will shortly be receiving registration information for this always sold-out event. Hole sponsors and raffle donations are always encouraged. Watch your mail in the next week for registration information on RAMCA's first golf event of the year. The date is May 18th.

RAMCA also encourages your participation at an event hosted by our sister organization and lobbying partner from northern Virginia, the Heavy Construction Contractors Association. For the second year in a row, utility and heavy contractors from around the state will compete in the Contractor's Cup Tournament. Last year a RAMCA team took second place in this event, which was held in northern Virginia. This year's event is scheduled for June 5th at the incredible Mattaponi Springs Golf Course in Bowling Green. Aside from the fine course and the great competition, all profits from RAMCA members who participate will be sent to the RAMCA Political Action Committee. So support a worthwhile cause while having a great time. Enter a foursome and let's take the cup home to RAMCA. Registration information is enclosed.