

URCA Viewpoint

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NEWS AND VIEWS FOR THE UNION ROOFER

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California's Anti-Smog Rules in Jeopardy

California is confronting the limits of its power to save federal environmental protections as Congress and the Trump administration take aim at a landmark law the State has relied on for decades to clean the air of noxious smog.

A push by Republicans to roll back parts of the Clean Air Act would affect California more than any other state and California's officials' legal authority to pick up the fight against smog on their own would be severely constrained. Moreover, from a regional standpoint, it would drastically slowdown the implementation of the SCAMD's 2016 Air Quality Plan.

In July of this year, the House passed HR 806 that would permanently upend the way restrictions are imposed on the ozone and small particulate matter that make up smog. No longer would regulators base decisions solely on scientific findings and for the first time the potential cost to business loom large in setting limits.

California's Democratic controlled legislature has vowed to keep the State in compliance with the Clean Air Act as it now

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2017 Q Award to NBCUniversal for the New WIZARDING World of Harry Potter Attraction

Hollywood, CA – The 2017 Q Award was presented to this year's recipient NBCUniversal for its new Universal Studios Hollywood attraction, "The WIZARDING World of Harry Potter™". The Alliance for Quality Construction (AQC) event was held on June 15, 2017 at Universal Studios Hollywood.

Construction industry luminaries, government officials and Universal Studios' top brass attended the sold out event. Accepting the award was Karen Irwin, President and COO of Universal Studios Hollywood, and Ed Chuchla, Chief Real Estate Officer of NBCUniversal.

The opening video revealed the many iconic projects deserving of the prestigious Q Award including "The WIZARDING World of Harry Potter" at Universal Studios Hollywood. Emcee Barry Garfield opened the proceedings by asking all the labor and subcontractor representatives in attendance to stand, introduce themselves and briefly describe their involvement with the building of the project. Construction industry representatives, who individually spoke, were proud of their contribu-

tions to the final outcome.

AQC Chair, Pam Ackrich said, "In the 15 years we have held this event, this is undoubtedly the most unique project to which we have ever

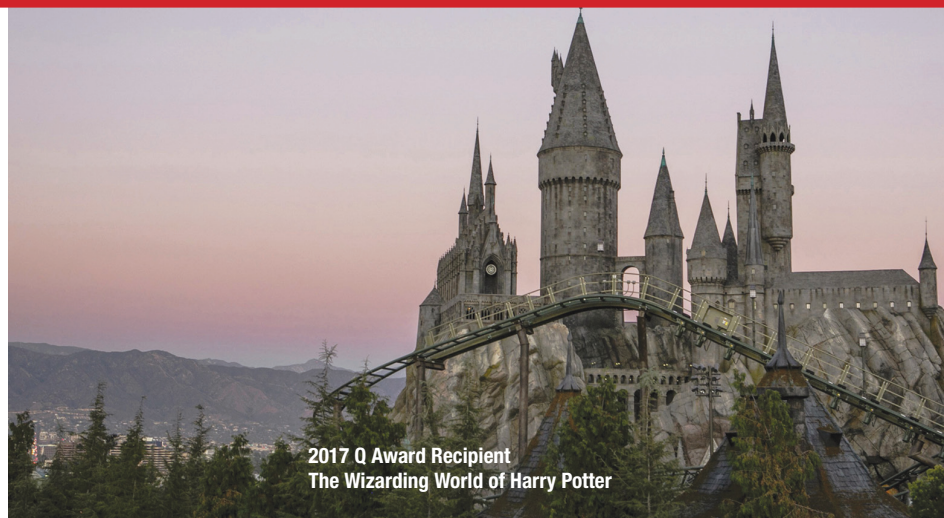


Karen Irwin, President and COO of Universal Studios Hollywood, and Ed Chuchla, Chief Real Estate Officer of NBCUniversal.

bestowed the Q Award. Unique in that it is not just one building but an entire village that transports you to another world—a world of fantasy and magic—a wizarding world."

Guests who addressed the crowd

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**2017 Q Award Recipient
The WIZARDING World of Harry Potter**



Ronald D. Johnston, Ph.D.
Executive Vice President



Karen Irwin-President and COO of Universal Studios Hollywood speaking to the 2017 Q Award attendees.



Fernando Chavez Project Supervisor for Best Contracting Services proudly addressing the Q Award crowd.

A majority of bills introduced during the first year of the 2017-2018 legislative session addressed the following: (1) Passage of the annual State Budget; (2) Funding for the State's deteriorating roads and bridges; (3) Extending the State's Cap-and-Trade Program to address "climate change."; (4) Establishing a State Single-Payer health program.

California lawmakers passed a spending plan for the coming fiscal year, which meets the State's budget approval deadline, with a 183.2 billion package. The budget package passed the Assembly 59-20 and the Senate 28-10.

The 2017 Budget Act continues to bolster the State's "Rainy Day Fund" and pay down accumulated debts and liabilities to counter the potential fiscal impact of federal policy changes on California and the potential end of an economic expansion that has surpassed historical averages. The Budget focuses State spending on the Governor's key priorities, which include investing in education and improving the State's streets, roads and transportation infrastructure.

The aforementioned Budget implements the controversial "Road Repair and Accountability Act of 2017" (SB 1). Governor Brown signed this bill into law, which dramatically increases fuel taxes and vehicle fees and will provide the State with 52 billion in revenue to help cover the State's transportation needs for the next decade.

Under this Act, the base excise tax on gas will increase by 12 cents per gallon and 20 cents per gallon on diesel. Furthermore the DMV Motor Vehicles' base registration fee will increase from \$53.00 to a new "transportation improvement fee" ranging from \$25 to \$175 depending on the value of the vehicle. Although our transportation infrastructure is in dire need of repair, the Act will have a dramatic economic impact on all business' that rely on receiving goods and supplies by various transportation sources.

A victory for Governor Brown included unprecedented support for fighting "global warming." In a break with party leaders and activists in California and Washington D.C., eight Republicans joined with Democrats to continue the Cap-and-Trade program, which requires companies to buy permits to release greenhouse gases into the atmosphere.

The legislation would keep the 5-year old program operating until 2030, providing a key tool for meeting the State's ambitious goal for slashing emissions. Moreover, the Cap-and-

Trade program generates important revenue for Governor Brown's pet project- the building of the "bullet train" from Los Angeles to San Francisco.

The willingness to support the Cap-and-Trade program was hardly unanimous among GOP lawmakers. Only one Republican in the Senate, Tom Berryhill voted for the proposal and a majority of Assembly Republicans, who were involved in negotiations for weeks, did not support the plan.

Some political strategists argue that support for Cap-and-Trade among a minority of Republican legislators might signal a change in strategy by the party, which has been shut out of all positions of power in State government and have limited prospects to regain influence. However, others argue that Cap-and-Trade would boost prices at the pump 24 to 73 cents a gallon by 2031. By voting to extend the program, Republicans would weaken a potential political weapon they could use against Democrats during next year's campaigns, thus losing the moral high ground of representing the Republican Party as the party of the middle class. Only time will tell.

Given the dismal state of healthcare reform in Washington, liberal Californians rallied around SB 562, co-authored by senators Lara and Atkins, which would establish a single-payer healthcare program. The bill passed the Senate Floor on June 1st by a vote of 23-14. However, once introduced in the Assembly, it was met (much to the chagrin of a majority of Democratic colleagues) with skepticism by Assembly Speaker Rendon, who argued that this bill was poorly written and as such would create even more chaos in the healthcare market. As a result, he decided not to move the bill.

In reality, a California single-payer healthcare system would not be feasible during the Trump administration. Firstly, financing would be a heavy burden- higher State taxes would be necessary to fund this projected 450 billion dollar program and California would need to channel Medicare and other federal healthcare funding into a single-payer system. Before that can happen, Congress must pass a waiver and the President must sign it- which in all likelihood is not going to happen.

Moreover, there are other challenges. So called "moderate" or "corporate" Democrats who oppose single-payer need to be persuaded that it is in their interest to vote for it

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Q Award Continued

included Stephanie Cohen, District Director for L.A.; County Supervisor Shiela Kuehl; Ron Miller, Executive Secretary, Los Angeles/Orange Counties Building & Construction Trades Council; David Ryu, Los Angeles City Councilman District 4; Chris Ritter, Operations Manager, PCL Construction Services and recipients Ed Chuchla, Chief Real Estate Officer, NBCUniversal; and Karen Irwin, President and COO, Universal Studios Hollywood.

Ron Miller was delighted with the final outcome of this project, and added that the LA/OC Building & Construction Trades Council is continuing to work with NBCUniversal to secure future projects for Southern California union contractors and crafts persons. "Giving an award is a way of saying, 'let's stop, take some time, appreciate something new, exciting and different that now exists because a group of committed people put their heads together and decided to do something,'" said Miller. With the extraordinary 'The Wizarding World of Harry Potter' project completed, Miller said, "You dream it, we will build it."



URCA Executive Vice President Ron Johnston with representatives from Best Contracting Services.

The construction began in 2013 and was completed in 2016. It resulted in many union construction jobs and a total of 749,036 trade hours. The finished project is a masterful recreation of the films, including its iconic focal point, Hogwarts castle.

Los Angeles City Councilman David Ryu enthusiastically referred to those in the audience who built this project. "I really want to thank and recognize all the partners, and especially the union members who helped make today possible.

Today, I have the honor of recognizing a company that continues to inspire countless fans of all ages," said Councilman Ryu.

NBCUniversal's Chief Real Estate Officer, Ed Chuchla, beamed with pride to have led this project for NBCUniversal. He also mentioned the various ongoing construction projects and future developments planned to be built with union labor at Universal Studios Hollywood. "Let's be really clear, this is an award that's all about flipping the spotlight right back on you, because every tradesman, craftsman and woman sitting in this audience made it happen, and for that, we're incredibly grateful," said Chuchla.

Karen Irwin, President and COO of Universal Studios Hollywood enthusiastically touted the artistry, creativity in design, construction and workmanship necessary to build Universal's attractions. She thanked the AQC for bestowing such an award upon them and announced other major attractions under way. "We look forward to working with your teams for many years to come.

Thank you for your commitment and support. We couldn't do it without you!"

The 2017 Award was presented to Karen Irwin and Ed Chuchla. The award read: Alliance for Quality Construction 2017 Q Award honoring NBCUniversal for the Wizarding World of Harry Potter for its outstanding contribution toward the attainment of quality construction within the building industry of

Southern California. URCA Executive Director Ron Johnston said, "Not only would I like to congratulate Universal Studios Hollywood and NBCUniversal, but the union roofers from Best Contracting Services whose work is majestically displayed throughout this attraction. They completed a magnificent Wizarding World of Harry Potter project on time and within budget."



Executive Director Continued

and millions of Californian voters, with relatively good insurance and those on Medicare, are fearful of a radical change in their healthcare protection.

With respect to legislation which would have an impact on our industry, URCA strongly supported SB 92 (Bonta), which extends an existing law sunset date from January 1, 2018 to January 1, 2023. This law authorizes the retention proceeds withheld from any payment by an awarding public entity from the original contractor, by the original contractor from any subcontractor, and by a subcontractor from any subcontractor not to exceed 5% unless there is a finding prior to the bid that the project is substantially complex and requires a higher retention.

Another bill that URCA is actively supporting, in collaboration with the bill's sponsor ASAC, is AB 1223 (Caballero). As introduced, this bill would require, within 10 days of making a construction contract payment, a state or local agency to post on its internet web site the project for which the payment was made, the name of the construction contractor or company paid, the date the payment was made, the payment application number or other identifying information and the amount paid. This would provide more transparency regarding payments made by State and local agencies to general contractors and allow subcontractors to be paid for work performed as mandated by the contract with the GC in a more expeditious manner. As a result of strong opposition from local agencies, the author, along with ASAC and URCA agreed to amend the bill, which now excludes local agencies from the provisions. URCA and ASAC agreed to support the amended bill because it provided a basis upon which to expand the bill and include State agencies at a later date if in fact the bill is effectively implemented. In other words, better to have a bill that is a "baby step" forward than no bill at all. As of this writing, EVP Johnston reports that this bill, as amended, passed out of the Assembly Floor by a vote of 72-1 and now resides in the Senate Appropriations Committee for a third reading.





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Smog Rules Continued

exists, but that turns out to be a promise not easily kept. According to Jared Blumenfeld, former western regional director of the Federal EPA, “this is not an easy switch whereby Congress gets rid of the present standard and California just puts it back in place.”

Some of the most damaging pollution



released inside California’s borders is NoX, which is spewed from the exhaust of mobile sources and can only be controlled by federal regulators. The EPA has been under pressure to toughen federal rules for trucks to enable California to meet its obligation under the Clean Air Act. Although

the Act empowers states to impose pressure on the EPA in court, HR 806 would weaken the air quality standards now motivating federal action.

The pushback against the Clean Air Act in Congress is rooted in complaints often driven by industry that the EPA, under the Obama administration, set standards for air quality that are impossible to reach without harming economies in places that are already struggling.

HR 806 now resides in the Senate Committee on Environment and Public Works.

URCA will keep all readers advised of future developments.



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The mission of the Union Roofing Contractors Association is to promote quality construction utilizing highly trained and skilled employees. The URCA is dedicated to the highest standards of professional integrity.

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