

May 23, 2007

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Dear ASCE Colleague,

Over the past 18 months, ASCE leaders at the national, regional and local levels have engaged in discussions about the role of the Society in public policy. It seems clear that our members strongly support ASCE's efforts to advocate on behalf of the profession on public policy issues including Qualifications Based Selection, licensure, infrastructure and education. Our members also support ASCE's efforts to encourage civil engineers to engage in public policy decision-making at all levels of government.

In 2005, the Board appointed a Task Committee on Political Involvement to explore ways to expand our public policy activities. The Task Committee proposed the establishment of a 501(c) 6 organization that would eliminate current restrictions on our lobbying activity due to our current non-profit tax status. Such an organization would also permit future consideration of other political activities including endorsing candidates and establishing a political action committee (PAC). This proposal was considered by the Board at its April meeting, but failed to pass with the required vote.

Although this proposal was not approved, the debate it inspired within the ASCE membership heightened awareness of the importance of public policy to the civil engineering profession, and to the desired role of the Society in those activities. We will continue to examine ways to serve the interests of our members, and I welcome and appreciate your input.

An issue of more immediate concern for the Board is how we will address the cap on our current lobbying expenses. Under IRS rules, ASCE can select one of two options for determining the limit on its lobbying activities. Under one option ASCE is permitted to spend up to \$1 million annually on lobbying expenses. ASCE has selected this option since 2005; however, based on a review prepared for the recent Board meeting, our proposed budget estimates lobbying expenses for FY2008 that exceed the \$1 million cap. Under the second option, ASCE lobbying activities may not constitute a "substantial part" of our total activities. Unfortunately, neither the IRS nor the courts have offered a reliable definition of "substantial" lobbying activities, making this option a riskier choice. Some have assumed that if you spend less than 5% of your operating budget on lobbying activities, it can not be substantial. We are conducting a more detailed audit of our lobbying expenses and exploring possible alternatives regarding the two options. After further investigation the Board will make a prudent decision regarding the option of choice and your Society Director will keep you informed.

On behalf of the Board, I want to thank all of you who took the time to share your views on this subject with us.



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