



ENGINEERING & UTILITY  
CONTRACTORS ASSOCIATION

June 3, 2010

Ms. Cindy McKim  
California Department of Transportation  
P.O. Box 942873  
Sacramento, CA 94273-0001

Dear Ms. McKim,

On behalf of the 450 members of the Engineering & Utility Contractors Association, I write to urge you to suspend any penalties and/or liquidated damages for striping contractors who are unable to deliver products in accordance with established project schedules due to the global shortage of raw materials used to produce roadway striping products. These shortages involve Acrylic Resin, Rosin Esters, Liquid Epoxy Resin and Titanium Dioxide.

As you may be aware, this is a vital issue not only for California contractors but for contractors in many states in our country. At a recent meeting in D.C., many states' industry representatives indicated that the shortage of striping materials was already affecting projects in their states. Due to these shortages, some states are primarily focusing on striping centerlines and delaying edge-lines until the material shortage abates.

EUCA believes that this situation invokes "Force Majeure," and that **contractors who entered into project agreements in good faith that materials would be available should be extended considerable leeway by adjusting project timelines.** This is not an issue of the contractor misjudging the marketplace; instead, it is an issue of availability on an international basis since, due to raw material shortages, striping products are simply becoming unavailable at any cost. When raw materials eventually become available, the finished products will likely carry a much higher cost.

EUCA will continue to monitor the situation on behalf of the industry and our contractor members. In the interim, we urge you to consider our recommendation to suspend penalties and/or liquidated damages in this area.

If you have any questions, or if EUCA can be of further assistance, please do not hesitate to contact us at 925-855-7900.

Most Sincerely,

Emily Cohen  
EUCA Director of Government Relations

Mike Herron  
EUCA Director Contractor Services

**CC: Rick Land, Chief Engineer**  
**Mark Leja, Chief of Construction**