

May 26, 2017 – VOLUME 14, ISSUE 5

Trump Budget Prioritizes Infrastructure Investment

The Trump Administration unveiled more details of its 2018 budget proposal this month. While usually considered “dead on arrival” on Capitol Hill, presidential budgets provide an indication of administration priorities. They also serve as an opening shot in negotiations between the president and Congress about policy direction and spending priorities. Although the Trump budget plan has already come in for some criticism from Republicans, because the president’s party is in control of both chambers of Congress, the Trump budget plan will likely get slightly more attention than those proposed by President Obama.

We’re assuming that by this point you’ve had your fill of stories about the budget’s broader potential impact, conflicts between Trump campaign promises and disagreements over accounting and economic growth projections. With that in mind, this article focuses entirely on the budget’s potential impact in one key area: infrastructure.

The News

The news on infrastructure is generally positive and more or less in line with expectations. Highway investment would be at 2018 authorized levels and state revolving fund appropriations would be in line with FY 2017 levels. More broadly, the administration’s stated infrastructure goal in the budget is to reform “how infrastructure projects are regulated, funded, delivered and maintained.”

Rather than just providing additional resources for investment, the budget document says the administration will “work to fix underlying incentives, procedures and policies to spur better, and more efficient, infrastructure decisions and outcomes, across a range of sectors, including surface transportation, airports, waterways, ports, drinking and waste water, broadband and key federal facilities.”

The budget acknowledges the president’s goal of \$1 trillion in investment over a decade, but seeks to manage expectations by saying that target “will be met with a combination of new federal funding, incentivized non-

Workforce, Technical Education Programs Targeted for Cuts

The Departments of Labor (-\$2.5 billion; 21 percent less than FY2017) and Education (-\$9 billion; 13 percent less) were among the agencies targeted for steep cuts by the White House’s 2018 budget proposal.

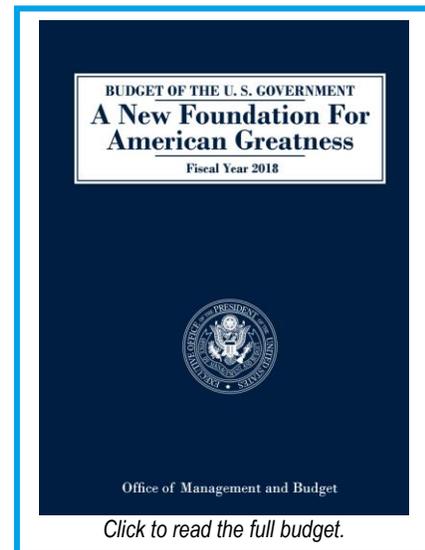
This had been foreseen by the previously-issued “skinny” budget, but the full proposal provides insight into where those dollars will be cut. Among the many programs facing reductions under the Trump proposal, state grants for workforce and career technical education programs would stand to lose \$1.2 billion.

Stay tuned for updates as industry advocates work to maintain government resources for technical skill development and employment. 🌐

federal funding and expedited projects that would not have happened but for the administration's involvement (for example, the Keystone XL Pipeline)."

The documents accompanying the budget identify the administration's infrastructure priorities as follows:

- **Make Targeted Federal Investments.** "Focusing Federal dollars on the most transformative projects and processes stretches the use and benefit of taxpayer funds. When Federal funds are provided, they should be awarded to projects that address problems that are a high priority from the perspective of a region or the nation, or projects that lead to long-term changes in how infrastructure is designed, built and maintained."
- **Encourage Self-Help.** "Many states, tribes and localities have stopped waiting for Washington to come to the rescue and have raised their own dedicated revenues for infrastructure. Localities are better equipped to understand the right level – and type – of infrastructure investments needed for their communities, and the federal government should support more communities moving toward a model of independence."
- **Align Infrastructure Investment with Entities Best Suited to Provide Sustained and Efficient Investment.** "The federal government provides services that non-federal entities, including the private sector, could deliver more efficiently. The administration will look for opportunities to appropriately divest from certain functions, which will provide better services for citizens, and potentially generate budgetary savings. The federal government can also be more efficient about disposing underused capital assets, ensuring those assets are put to their highest and best use."
- **Leverage the Private Sector.** "The private sector can provide valuable benefits for the delivery of infrastructure, through better procurement methods, market discipline and a long-term focus on maintaining assets. While public-private partnerships will not be the solution to all infrastructure needs, they can help advance the nation's most important, regionally-significant projects."



With those goals mind, the budget directs \$200 billion towards infrastructure programs in FY 2018. Transportation highlights include:

- Expanding the [Transportation Infrastructure Finance and Innovation Act \(TIFIA\) Program](#), with helps finance surface transportation projects through direct loans, loan guarantees and lines of credit. According to the administration, "one dollar of TIFIA subsidy leverages roughly \$40 in project value. If the amount of TIFIA subsidy was increased to \$1 billion annually for 10 years, that could leverage up to \$140 billion in credit assistance and approximately \$424 billion in total investment. In addition, the administration supports the expansion of TIFIA eligibility."

- Lifting the Cap on Private Activity Bonds and Expand Eligibility to Other Non-Federal Public Infrastructure. “The Private Activity Bonds (PABs) program allows the Department of Transportation to allocate authority to issue tax-exempt bonds on behalf of private entities constructing highway and freight transfer facilities. PABs have been used to finance many public-private partnerships (P3s) projects, along with TIFIA. As of August 15, 2016, nearly \$11.2 billion in PABs have been issued for 23 projects. The administration recommends removing the \$15 billion cap under current law to ensure that future P3 projects can take advantage of this cost-saving tool, and encourage more project sponsors to take advantage of this tool. The administration also supports the expansion of PAB eligibility,” the Budget documents say.

The budget also proposes to create a Federal Capital Revolving Fund to finance federally-owned civilian capital assets, a grant program to buy down the cost of a federal asset improvements and further improvements to streamline the environmental review process for projects.

Controversially, the administration also wants to reform the nation’s air traffic control system (currently run by the Federal Aviation Administration) and hand it over to an independent, not-for-profit entity, reduce spending for the essential air service program for rural airports, shifting the costs of transit to local communities and eliminating the [DOT’s TIGER grants program](#), which has provided \$4.6 billion for multimodal transportation projects over the past eight years.

A fact sheet about the Trump administration’s infrastructure budget proposal is [here](#).

What About Water?

Although the Environmental Protection Agency (EPA) is facing big cuts in the budget, the water infrastructure programs EPA oversees came through unscathed. The budget includes \$2.3 billion for the State Revolving Funds, a \$4 million increase over the 2017 annualized CR level. The budget also provides \$20 million for the [Water Infrastructure Finance and Innovation Act program](#), equal to the funding provided in the 2017 annualized CR. According to the budget, this credit subsidy could potentially support \$1 billion in direct federal loans. The budget also includes more than \$1 billion for water programs administered by the Department of the Interior.

However, the budget would also eliminate water and waste water loan and grant programs overseen by the Department of Agriculture for a savings of \$498 million. The administration suggests the rural communities benefiting from those programs will be able to make up the losses through private sector financing or from the SRFs overseen by EPA.

The Army Corps of Engineers would also be hit with big cuts under the president’s budget. Overall Corps funding would be reduced by \$976 million, which is 16 percent of the 2017 total. The administration’s priority for the corps is maintenance rather than new construction. The budget provides \$3.2 billion for the corps’ operation and maintenance program and \$1.1 billion for the construction program. Also, significantly, the budget proposes to sell off the Washington Aqueduct, the wholesale water supply system for Washington, D.C. and parts of Northern Virginia. The aqueduct is the only local water system in the country owned and operated by the Corps. The administration believes that “local water supply is best carried out by state or local government or the private sector where there are appropriate market and regulatory incentives.”

What's Next?

While the budget gives some clues about where the administration's proverbial head is, there are still a lot of holes in the president's infrastructure plan and many details still to be worked out. For now, infrastructure is taking a back seat to other priorities on the Hill (including tax reform and changes to Obamacare), though there's talk that a bill could start to move later this year. ACPPA will continue its efforts to encourage Congress to act on an infrastructure package that include robust funding for water infrastructure. 

ACPPA, Allies Promote Infrastructure, Concrete Industry During NACA Fly-In

Dozens of industry leaders representing a broad spectrum of companies and associations involved in the manufacturing of cement, concrete, and concrete products stormed Capitol Hill this month as part of the North American Concrete Alliance's (NACA) 2017 Cement and Concrete Fly-In.

The event kicked off on Monday, May 8 with a briefing for congressional staff by leaders of NACA-member organizations, including the [Portland Cement Association](#) (which was the fly-in's lead organizer), [National Ready-Mixed Concrete Association](#), [Concrete Reinforcing Steel Institute](#), [National Precast Concrete Institute](#), and others. ACPPA counsel Christian Klein spoke on behalf of concrete pressure pipe manufacturers. He described our industry's vital role in delivering clean drinking water and urged that any large, new infrastructure initiative (such as that proposed by President Trump on the campaign trail) include investment in new drinking water and sewer systems.

The program on Tuesday, May 9 included a welcoming briefing for attendees, a reception with [Sen. John Barrasso \(R-Wyo.\)](#), chairman of the Senate Environment & Public Works Committee, and a dinner with [Sen. Rob Portman \(R-Ohio\)](#).

On Wednesday, May 10, after a breakfast briefing with officials from the Federal Highway Administration and Environmental Protection Agency, fly-in participants headed to Capitol Hill for a series of small group meetings with Senate offices. Leaders provided elected officials with information about the concrete industry's economic impact, national infrastructure needs and environmental issues impacting cement and concrete users. The day on the Hill also included lunch in the Capitol Visitors' Center with presentations by congressional staff from key committees and a reception headlined by longtime infrastructure [champion Sen. Jim Inhofe \(R-Okla.\)](#).

The NACA delegations generally met with a positive reception on the Hill and found strong support for infrastructure on both sides of the aisle. However, there's clearly no consensus among lawmakers about how to pay for more investment. Republicans are more prone to favor creative financing mechanisms that attract private dollars to public projects, while Democrats prefer direct investment of federal money funded by user fees. As the infrastructure debate plays out in the coming months, it's likely that both funding and financing will be part of the mix.

"The fly-in was an important opportunity for all segments of our industry to send Congress a unified message on major issues that we all share," PCA President & CEO Jim Toscas said. "ACPPA delivered an important component of that message, and I look forward to ACPPA members adding their voices to our collective advocacy." 

Canada Moves Forward with Infrastructure Bank, Launches Leadership Search

The Canadian government is moving forward with plans to create an [infrastructure bank \(CIB\)](#) to help finance a wide range of construction projects (including water infrastructure) across the country. This month, [Minister of Infrastructure & Communities Amarjeet Sohi](#)



Government
of Canada

Gouvernement
du Canada

[Click to learn more about the infrastructure bank.](#)

announced the government has initiated a search for the bank's initial leadership team and is aiming to have the institute up and running by late 2017 (subject to parliamentary approval). He also announced that the bank would be headquartered in Toronto.

The idea behind the CIB is that attracting private financing is critical to closing the country's infrastructure gap and relying exclusively on public investment would put too much of a burden on taxpayers. The goal of the CIB is to attract capital to projects that might not otherwise be built (e.g., because revenues from the project wouldn't be sufficient to attract private dollars) and allow public resources to be spent on other priorities.

In addition to attracting financing for projects through debt and equity vehicles, the CIB will also act as a center of expertise on projects that involve private investment. As an incentive to use the bank, provinces that utilize its resources won't be penalized (e.g., by seeing funding from other government programs reduced).

More information about the bank and the open leadership positions is at www.infrastructure.gc.ca/CIB-BIC.

Canadian, Ontario Governments Announce Water Projects Worth \$1+ Billion

The Canadian and Ontario governments this past month announced the approval of 89 new water projects in 32 communities as part of the [Canada-Ontario Clean Water and Wastewater Fund \(CWWF\) agreement](#). According to the Canadian government, the CWWF is "designed to improve the safety and quality of water for Canadian families, while supporting a clean economy."

The Canadian government will provide Ontario with more than \$569 million (up to 50 percent of the eligible project costs) and the provincial government will kick in up to \$270 million (up to 25 percent of total eligible project costs). The communities receiving the investment dollar will cover remaining costs.

For more information, including a list of approved projects, go to www.canada.ca/en/office-infrastructure/news/2017/05/backgrounder_canadaandontarioannouncefundingforcleanwaterandwast4.

Pressure Pipe Post

ACPPA's Monthly Source for Industry News

May 2017

To keep members aware of the activities of government and standards organizations, we regularly sweep public databases and publications for the industry-specific terms indicated below. We then provide our members with links to documents identified in the search. Please note that in some cases the URLs may link to subscription-only databases. The purpose of this service is to identify emerging threats and trends as well as opportunities for collective action by ACPPA.

NEWS RESULTS

Coal/Fly Ash

Company Adds Fly Ash Terminal Capacity

05/24/2017 http://www.theconcreteproducer.com/business/company-adds-fly-ash-terminal-capacity_o

Charah LLC, the largest private fly ash management company serving the coal-fired power generation industry recently added a fly ash storage terminal in Sulphur, La., as part of its expanding MultiSource network.

North Dakota Coal Power Company to Test New Uses for Carbon

05/21/2017 <http://www.westfargopioneer.com/news/4270621-north-dakota-coal-power-company-test-new-uses-carbon>

A regional power cooperative is developing methods for capturing and using carbon dioxide emissions that may impact the coal industry's larger struggle to reduce emissions and meet pending federal regulations.

Cities Lose Challenge to Coal-Ash Dumping in Puerto Rico

05/18/2017 <http://www.courthousenews.com/cities-lose-challenge-coal-ash-dumping-puerto-rico/>

The First Circuit handed defeat Tuesday to two Puerto Rican cities that tried to override one local power plant's permission from the state to dump coal ash at public landfills.

Coal Ash Ponds Brings Concern to New Albany Residents

05/15/2017 <http://www.whas11.com/news/local/indiana/coal-ash-ponds-brings-concern-to-new-albany-residents/439985325>

Coal ash and fly ash – residue from coal-fired power plants are known for containing high levels of dangerous metals but the EPA has denied three times listing it as hazardous waste which creates heated debate when communities begin to discuss disposal.

Dominion Reconsidering Coal Ash Storage Plans in VA

05/08/2017 http://www.bayjournal.com/article/dominion_reconsidering_coal_ash_storage_plans_in_va

Earlier this year, it seemed inevitable that Dominion Virginia Power would be permanently storing coal ash underground at a power station near the Potomac River. The site is the first of four along Chesapeake Bay tributaries where the utility is looking to entomb the accumulated residue from decades of burning coal for power. What happens at Possum Point near Quantico could set a precedent for how ash is handled elsewhere in the state.

Alliant Starts Cleaning Up Old Ash Ponds

05/04/2017 <http://www.kcrg.com/content/news/Alliant-starts-cleaning-up-old-ash-ponds-421407313.html>

Alliant Energy has started cleaning up the four ponds. The utility used them to store fly ash from an old coal fired power plant that closed after the 2008 flood and was demolished several years ago.

Construction**Utility of the Future**

05/24/2017 http://www.mswmag.com/editorial/2017/06/utility_of_the_future

Some utilities struggle to meet the conditions of a consent decree. Others use it as a baseline. The Miami-Dade Water and Sewer Department took the \$1.6 billion in improvements outlined in its consent decree and added nearly \$12 billion in utility-wide upgrades.

Houston Set for \$3B Water Supply Pipeline

05/24/2017 <http://www.constructionequipmentguide.com/houston-set-for-3b-water-supply-pipeline/34412>

Any Houstonian who's ever stalled out in a rush-hour gully washer, swatted mosquitoes on a humid summer afternoon or hauled soggy carpet to the curb after a neighborhood flash flood will be forgiven for thinking the supply of water is one thing they needn't worry about.

New Concrete Recipes Could Cut Cracks

05/19/2017 <https://www.scientificamerican.com/podcast/episode/new-concrete-recipes-could-cut-cracks/>

Recipes for concrete that incorporate by-products from the coal and steel industries, like fly ash and slag, could reduce road salt-related cracking.

Health & Safety**Op-Ed: Asbestos and Lead — Two Deadly Threats that Must Both Be Eliminated**

05/22/2017 <http://www.njspotlight.com/stories/17/05/22/op-ed-asbestos-and-lead-two-deadly-threats-that-must-both-be-eliminated/>

The idea that we can ignore one hazardous chemical because we are focused on eliminating another is dangerously short-sighted.

See Exactly Where Flint Water Service Lines Have Been Excavated So Far

05/16/2017 http://www.mlive.com/news/flint/index.ssf/2017/05/see_where_water_service_lines.html

Work replacing dangerous water service lines in Flint has been densely concentrated in three areas of the city so far, according to records obtained by The Flint Journal-MLive through the Freedom of Information Act.

What Can Be Done About Vermont's Aging Sewer Systems?

05/05/2017 <http://digital.vpr.net/post/what-can-be-done-about-vermonts-aging-sewer-systems>

"I originally asked the question in August 2016," Brown says. "My landlord has a camp right on Malletts Bay, and nobody could swim in the bay. And that's kind of what got me thinking, why is the bay not swimmable?"

Infrastructure Policy**WIFIA Receives Additional \$8 million**

05/23/2017 <https://www.wwdmag.com/public-private-partnerships/wifia-receives-additional-8-million>

The U.S. Environmental Protection Agency's (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) program received an additional \$8 million for credit subsidy in the Consolidated Appropriations Act of 2017, which was signed into law by President Donald J. Trump May 5, 2017.

The Dangerous Brew of Politics and Water

05/18/2017 <http://today.uconn.edu/2017/05/dangerous-brew-politics-water/>

Safe water for drinking is necessary for life on Earth. The rise of civilization began along the banks of rivers and waterways and was important to the development of agriculture, commerce and advances in industry, science and technology.

REGULATORY RESULTS**Cast Iron Pipe****Environmental Protection Agency | Notice | Request for Nominations of Experts to the EPA Office of Research and Development's Board of Scientific Counselors**

05/25/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-05-25/pdf/2017-10672.pdf>

The BOSC is a chartered Federal Advisory Committee that was established by the EPA to provide independent scientific and technical peer review, advice, consultation, and recommendations about ORD. As a Federal Advisory Committee, the BOSC conducts business in accordance with the Federal Advisory Committee Act (FACA) (5 U.S.C. App. 2) and related regulations.

Cement**Environmental Protection Agency | Direct Final Rule | Delegation of New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants for the States of Arizona and Nevada**05/11/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-05-11/pdf/2017-09495.pdf>

The Environmental Protection Agency (EPA) is taking direct final action to update the Code of Federal Regulations delegation tables to reflect the current delegation status of New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants in Arizona and Nevada.

Environmental Protection Agency | Final Rule | Approval and Promulgation of Air Quality Implementation Plans; Maryland; New Regulations for Architectural and Industrial Maintenance Coatings05/08/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-05-08/pdf/2017-09184.pdf>

This revision pertains to a provision establishing new volatile organic compound (VOC) content limits and standards for architectural and industrial maintenance (AIM) coatings available for sale and use in Maryland.

Water Infrastructure**International Trade Administration | Notice | Welded Line Pipe From Turkey: Rescission, in Part, of Countervailing Duty Administrative Review; 2015**05/09/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-05-09/pdf/2017-09356.pdf>

In December 2016 and January 2017, the Department received multiple timely requests to conduct an administrative review of the antidumping duty order on welded line pipe from Turkey.

Water Supply**U.S. Army Corps of Engineers | Proposed Rule; Comment Period Extension | Use of U.S. Army Corps of Engineers Reservoir Projects for Domestic, Municipal & Industrial Water Supply**05/16/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-05-16/pdf/2017-09861.pdf>

The U.S. Army Corps of Engineers (USACE) is extending the public comment period for the notice of proposed rulemaking that appeared in the Federal Register of December 16, 2016. ([Click here to see docket.](#))

Environmental Protection Agency | Notice | Public Water Supply Supervision Program; Program Revision for the State of Idaho05/11/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-05-11/pdf/2017-09537.pdf>

Notice is hereby given that the State of Idaho has revised its approved State Public Water Supply Supervision Primacy Program.

LEGISLATIVE RESULTS**Drought****S. 1012 | Introduced by Udall, Tom (D-N.M.) | New Mexico Drought Preparedness Act of 2017**05/02/2017 <https://www.congress.gov/bill/115th-congress/senate-bill/1012>

To provide for drought preparedness measures in the State of New Mexico, and for other purposes.

Sewer**H.R. 2382 | Introduced by Fudge, Marcia (D-Ohio) | Low-Income Sewer and Water Assistance Program Act of 2017**05/04/2017 <https://www.congress.gov/bill/115th-congress/house-bill/2328>

To amend the Federal Water Pollution Control Act to establish a low-income sewer and water assistance pilot program.

Water Infrastructure**H.R. 2479 | Introduced by Pallone, Frank (D-N.J.) | Leading Infrastructure for Tomorrow's America Act**05/18/2017 <https://www.congress.gov/bill/115th-congress/house-bill/2479>

To rebuild and modernize the Nation's infrastructure to expand access to broadband internet, rehabilitate drinking water infrastructure, modernize the electric grid and energy supply infrastructure, redevelop brownfields, strengthen health care infrastructure, create jobs, protect public health and the environment, and for other purposes.

S. 1137 | Introduced by Cardin, Benjamin (D-Md.) | Clean Safe Reliable Water Infrastructure Act05/16/2017 <https://www.congress.gov/bill/115th-congress/senate-bill/1137>

To amend the Safe Drinking Water Act and the Federal Water Pollution Control Act to include provisions relating to drinking water and wastewater infrastructure, and for other purposes.

H.R. 2235 | Introduced by Latta, Robert (R-Ohio) | Water Infrastructure Flexibility Act05/05/2017 <https://www.congress.gov/bill/115th-congress/house-bill/2355>

To provide for integrated plan permits, to establish an Office of the Municipal Ombudsman, to promote green infrastructure, and to require the revision of financial capability guidance.

