

September 29, 2017 – VOLUME 14, ISSUE 9

Congress Avoids FAA Shutdown, Kicks Reauthorization Down the Road ... Again

There was some drama as things came down to the wire, but Congress ultimately did what everyone expected and voted Sept. 28 to keep Federal Aviation Administration (FAA) construction programs running for another six months.

Early in the week of Sept. 25, the House sent the Senate a short-term FAA authorization bill that included unrelated language to encourage the creation of private flood insurance markets. The flood provision drew bipartisan opposition from senators wanting to address the issue as part of a broader flood insurance debate. The Senate ultimately stripped the controversial language from the FAA extension, passed the bill and sent it back to the House, which quickly approved the legislation by unanimous consent and sent it to the White House for President Trump's signature.



Congress narrowly averted an FAA construction program shutdown this month. As attention turns to tax reform, it's going to be a busy autumn on Capitol Hill.

The extension keeps FAA's lights on through March 30 and allows agency to continue collecting the aviation taxes that fund airport construction projects. It also buys more time for lawmakers to hash out the details of a longer-term FAA reauthorization bill. Action on a long-term FAA bill has been delayed in the House by disagreement over whether to spin off air traffic control responsibilities from the FAA and in the Senate over language to reform pilot training requirements.

The FAA's airport improvement program generates more than \$2 billion in annual construction activity at U.S. airports. Reauthorizing the FAA and increasing investment in its infrastructure programs is among the construction industry's top priorities in the current Congress. 

Tax Reform Process Kicks Off ... Again

The last week in September saw the political spotlight once again shine on taxes as congressional Republicans and White House negotiators unveiled a yet another reform plan. "[A Unified Framework for Fixing Our Broken Tax Code](#)" is slightly more detailed than previous administration efforts, but still provides only a brief outline for policy overhaul.

The “framework” builds on objectives articulated by President Trump earlier this year: making the tax code simple, fair and easy to understand; reducing taxes on working-class Americans; improving the tax environment for American companies; and encouraging the repatriation of money held overseas by U.S. corporations. Just nine pages long, the framework is designed to guide the House and Senate tax-writing committees as they draft reform legislation.

For individuals, the framework would:

- Simplify and double the standard deduction, effectively creating a larger “zero tax bracket” by eliminating taxes on the first \$24,000 of income earned by a married couple and \$12,000 earned by a single individual.
- Consolidate the seven current tax brackets into three: 12, 25, and 35 percent.
- Repeal the personal exemption for dependents, significantly increase the Child Tax Credit (CTC), and increase the income levels at which the CTC begins to phase out.
- Repeal the alternative minimum tax (AMT).
- Eliminate most itemized deductions, but retain those for mortgage interest and charitable contributions.
- Retain tax benefits that encourage higher education and retirement savings.
- Eliminate the estate and generation skipping transfer taxes.

For businesses, the framework would:

- Limit the maximum tax rate applied to the business income of small and family-owned businesses conducted as sole proprietorships, partnerships and S corporations to 25 percent.
- Reduce the corporate tax rate to 20 percent (which is below the 22.5 percent average of the industrialized world) and would eliminate the corporate AMT.
- Allow businesses to immediately write off (or “expense”) the cost of new investments in depreciable assets (other than structures) made after Sept. 27, 2017, for at least five years.
- Partially limit the deduction for net interest expense incurred by C corporations and direct the tax committees to consider the appropriate treatment of interest paid by non-corporate taxpayers.
- Eliminate the domestic production (“section 199”) deduction and eliminate or restrict “numerous other special exclusions and deductions” (however, the framework specifically preserves the research and development [R&D] and low-income housing tax credits).
- “Modernize” the “special tax regimes that exist to govern the tax treatment of certain industries and sectors”.

With this broad outline, the House Ways & Means and Senate Finance Committees can now get to work hashing out the details. And make no mistake, there are many details still to work out (the framework document provides little detail beyond the bullet points above).

ACPPA's Perspective

From ACPPA's perspective, the tax framework is a mixed bag. While reducing corporate tax rates and incentivizing capital investment are ACPPA priorities, limiting or eliminating business interest, domestic production, and other deductions could negatively impact member companies. Also, we are disappointed that Republican leaders seem disinclined to use tax reform to create new revenue streams for infrastructure programs. We are also concerned about the possibility that tax writers may attempt to limit or eliminate

favorable tax treatment for the municipal bonds that finance so much state and local government infrastructure investment (though municipal bonds weren't specifically mentioned in the framework).

What's Next?

While the Finance and Ways & Means Committees draft the bills, congressional leadership will be smoothing the path towards ultimate passage. The Republican strategy is to pass a final budget resolution to allow a tax reform package move through a process called reconciliation and avoid a Democratic filibuster in the Senate. But completing a budget resolution won't be without its challenges. The version unveiled in the Senate on Sept. 29 would allow deficits up to \$1.5 trillion to pay for a tax bill and Republican budget hawks may join Democrats in opposing the plan.

The Senate Budget Committee is expected to mark up the budget blueprint during the first week in October and it's expected to be on the Senate floor the week of Oct. 16. Assuming it passes the Senate, conferees will work to resolve differences between the Senate bill and the version passed by the House earlier this year. Then both chambers will once again have to pass the final version.

Assuming all that happens, then the House and Senate can consider a tax reform bill under special budget rules. There's a lot that has to happen, but Republicans are anxious to score a win after nine in months in control of both Congress and White House and no major policy accomplishments.

It's going to be a busy fall in the nation's capital. 

Pressure Pipe Post

ACPPA's Monthly Source for Industry News

September 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

Clean Water

City officials: Water on South Hill is Safe to Drink Despite Odor

09/27/2017 <http://www.krem.com/news/city-officials-water-on-south-hill-is-safe-to-drink-despite-odor/478947506>

After Spokane crews investigated the water quality issue in the South Hill area, City officials said Tuesday the water is safe to drink despite the odor.

City will Examine Common Pipe Procedure that Sickened 36 Students

09/23/2017 <http://www.10news.com/news/city-will-examine-common-pipe-procedure-that-sickened-36-students>

The city of San Diego is now conducting a review of a common pipe repair process after 36 students fell ill near a construction site.

East Chicago Starts Lead Pipe Replacement

09/14/2017 <http://www.chicagotribune.com/suburbs/post-tribune/news/ct-ptb-east-chicago-pipe-replacement-st-0912-20170915-story.html>

East Chicago is in the process of replacing lead service lines throughout the city, an action the U.S. Environmental Protection Agency says is critical to ensure the safety of the drinking water.

Fly Ash

These Toxic Coal Pits are Leaking into Indiana's Water

09/25/2017 <http://www.whas11.com/news/health/these-toxic-coal-pits-are-leaking-into-indianas-water/478400102>

The coal plants that dot Indiana's landscape generate much more than electricity. They also produce toxic ash.

Pandora's Rock: The Dirt On Coal09/14/2017 <http://www.wow.com/article/vap56n/59baec41e4b02c642e4a14f0>

News and commentary on hurricanes, DACA, the debt limit and other timely topics have eclipsed a few recent incidents that deserve comment. One is Donald Trump's continuing description of coal as "beautiful" and "clean."

Power Plants Get Two-Year Reprieve for Parts of Wastewater Rule09/13/2017 <https://www.bna.com/power-plants-twoyear-n57982087839/>

Power plants won't have to meet new limits until 2020 on toxic wastewater that comes from using air pollution control systems and transporting bottom furnace ash, the EPA announced Sept. 13.

Level With Me09/08/2017 <http://www.cementamericas.com/features/1425-level-with-me.html>

A variety of issues affect accurate continuous level measurement in cement plants. The most critical concerns are dust, heavy build-ups, low-reflective media, and uneven surfaces in conical and/or air-injected silos with internal objects.

Infrastructure**City Candidates Talk Infrastructure Spending**09/28/2017 http://www.record-eagle.com/news/local_news/city-candidates-talk-infrastructure-spending/article_27562747-901a-5446-a4c9-bc0b10ca8778.html

Infrastructure needs will force Traverse City leaders to prioritize millions in spending for years to come.

New Orleans Sewerage & Water Board Trials & Tribulations – We'll Talk Challenges09/15/2017 <http://www.wvl.com/media/audio-channel/new-orleans-sewerage-water-board-trials-tribulations-%E2%80%93-we%E2%80%99ll-talk-challenges>

New Orleans Sewerage & Water Board trials & tribulations – we'll talk challenges moving forward with the folks from Levees.org – and get insights from the civil engineer who's monitoring their every move.

As The Northeast Gets Wetter, N.H. Faces Critical Need To Fix Aging Infrastructure09/07/2017 <http://nhpr.org/post/northeast-gets-wetter-nh-faces-critical-need-fix-aging-infrastructure-0>

In light of the recent hurricanes slamming the Gulf Coast and Southeastern United States, The Exchange spoke with Perry Plummer, Director of Homeland Security and Emergency Management, Jonathan Winter, a Dartmouth professor who has studied increasing precipitation over the last two decades in New England, and two engineers, Jim Gallagher, who specializes in dams, and Fred McNeill, who works in wastewater treatment, about how well New Hampshire is prepared for major weather events.

Pipes

Burst Pipe at Bulldog Stadium Causes Mess

09/25/2017 <http://collegian.csufresno.edu/2017/09/25/burst-pipe-at-bulldog-stadium-causes-mess/>

An irrigation pipe under the southeast side of Bulldog Stadium burst Sunday producing mud and debris in the south end zone. But it's not expected to affect the football game Saturday.

Healing Old Pipes from Within

09/06/2017 <https://www.phcpropros.com/articles/5947-healing-old-pipes-from-within>

A group of workers from the Mexico City Water Department replaced a portion of sewage system piping on the Periférico Norte Ave. and Observatorio Ave. intersection a couple of months ago. The work included the replacement of a 24-inch diameter high-density corrugated polyethylene pipe.

Water Supply

Region's New \$66 Million Water Main

09/25/2017 <http://www.starnewsonline.com/news/20170925/project-tracker-regions-new-66-million-water-main>

In October 2016, a break occurred in a 48-inch water main that serves Brunswick, New Hanover and Pender counties. The line break, near Riegelwood, took more than a month to fix and about 12.5 million gallons of raw water spilled through the hole daily while it was being repaired and forced utility providers in the region, including Cape Fear Public Utility Authority (CFPUA), Brunswick County Public Utilities and Pender County Utilities, to issue mandatory water restrictions.

Aqua Pa. Announces \$400,000 Water Main Replacement

09/25/2017 http://www.theintell.com/news/local/aqua-pa-announces-water-main-replacement/article_c8a63110-a205-11e7-aa99-afac75bd9e7b.html

Aqua Pennsylvania announced a \$400,000 plan to replace an existing water main along two streets in the borough.

Complicated Water System Has Unique Challenges

09/20/2017 http://www.mswmag.com/editorial/2017/10/complicated_water_system_has_unique_challenges

When the residents of Anchorage, Alaska, turn on their faucets, it's a good bet that they have little understanding of the challenges the Anchorage Water and Wastewater Utility must overcome to supply them with clean, clear water.

REGULATORY RESULTS**Cement****Environmental Protection Agency | Final Rule | Technical Amendments to Procedure 6**

09/21/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-09-21/pdf/2017-20172.pdf>

The Environmental Protection Agency (EPA) is finalizing minor technical amendments to Procedure 6 that were proposed in the Federal Register on May 19, 2016. Procedure 6 includes quality assurance (QA) procedures for hydrogen chloride (HCl) continuous emission monitoring systems (CEMS) used for compliance determination at stationary sources.

Environmental Protection Agency | Proposed Rule | National Emission Standards for Hazardous Air Pollutants From the Portland Cement Manufacturing Industry Residual Risk and Technology Review

09/21/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-09-21/pdf/2017-19448.pdf>

The Environmental Protection Agency (EPA) is proposing amendments to the National Emission Standards for Hazardous Air Pollutants (NESHAP) From the Portland Cement Manufacturing Industry to address the results of the residual risk and technology review (RTR) the EPA is required to conduct in accordance with section 112 of the Clean Air Act (CAA).

Environmental Protection Agency | Final Rule | Postponement of Certain Compliance Dates for the Effluent Limitations Guidelines and Standards for the Steam Electric Power Generating Point Source Category

09/21/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-09-18/pdf/2017-19821.pdf>

Under the Clean Water Act ("CWA"), The Environmental Protection Agency (EPA) intends to conduct a rulemaking to potentially revise certain best available technology economically achievable ("BAT") effluent limitations and pretreatment standards for existing sources ("PSES") for the steam electric power generating point source category,

Sewer Pipe**Department of Agriculture | Notice of Solicitation of Applications | Inviting Applications for Technical Assistance and Training Grants**

09/28/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-09-28/pdf/2017-20852.pdf>

This Notice announces that the Rural Utilities Service (RUS) is accepting applications for the Technical Assistance and Training Grant Program (TAT).

Water Infrastructure**Department of Transportation | Notice of Funding Opportunity | Notice of Funding Opportunity for the Department of Transportation's National Infrastructure Investments Under the Consolidated Appropriations Act, 2017**09/07/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-09-07/pdf/2017-19009.pdf>

This appropriation stems from the program funded and implemented pursuant to the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") known as the Transportation Investment Generating Economic Recovery, or "TIGER Discretionary Grants," program.

Water Supply**Environmental Protection Agency | Initiation of Scoping | Notice of Intent To Prepare a Programmatic Environmental Assessment (PEA) for Financing Water and Wastewater Infrastructure Projects Pursuant to the Water Infrastructure Finance and Innovation Act**09/20/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-09-20/pdf/2017-19956.pdf>

Consistent with the National Environmental Policy Act (NEPA), the Council on Environmental Quality's NEPA regulations, and EPA's regulations for implementing NEPA, EPA will prepare a Programmatic Environmental Assessment (PEA) to analyze the potential environmental impacts related to providing individual long-term, low-cost supplemental loans or loan guarantees for regionally and nationally significant eligible water and wastewater infrastructure projects under the Water Infrastructure Finance and Innovation Act (WIFIA) Program.

Department of Agricultural | Final Rule | Water and Waste Loans and Grant09/19/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-09-19/pdf/2017-19839.pdf>

The Rural Utilities Service (RUS), a Rural Development agency of the United States Department of Agriculture (USDA), is revising the regulation used to process water and waste disposal loans and grants to remove the reference to the 11-GO Bond Buyer Index. This change will allow the Agency to respond to changes in indices and potentially reduce the budget authority necessary to fund the program.

LEGISLATIVE RESULTS**Drought****H.R. 3724 | Introduced by Rep. Peters, Scott (D-Calif.) | STRONG Act**09/11/2017 <https://www.congress.gov/bill/115th-congress/house-bill/3724>

To minimize the economic and social costs resulting from losses of life, property, well-being, business activity, and economic growth associated with extreme weather events by ensuring that the United States is more resilient to the impacts of extreme weather events in the short- and long-term, and for other purposes.

Water Infrastructure

H.R. 3859 | Introduced by Rep. Waters, Maxine (D-Calif.) | Drinking Water Infrastructure for Job Creation Act

09/27/2017 <https://www.congress.gov/bill/115th-congress/house-bill/3859>

Making supplemental appropriations for fiscal year 2017 for the Drinking Water State Revolving Funds, and for other purposes.

S.1460 | Introduced by Sen. Murkowski, Lisa (R-Alaska) | Energy and Natural Resources Act of 2017

09/19/2017 <https://www.congress.gov/bill/115th-congress/senate-bill/1460>

To provide for the modernization of the energy and natural resources policies of the United States, and for other purposes.

