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TPG's Leathers Outlines Industry Success through Education, "Constructive Tension" and Informed Optimism

As a special feature in this month's edition, *Actionline* sat down with Mike Leathers, executive vice president of [Thompson Pipe Group](#) and president of TPG Pressure. Mr. Leathers shared insight from his long experience in heavy construction as well as some lessons learned from serving many industry roles.

Tell us about yourself. What is your personal background? How did you get into the industry? What's your experience with ACPPA?

I graduated college 1992 with a bachelor's degree in marketing. I was working in sales full time, and coaching baseball for fun when one player's father, who was upper management with Pioneer Building Materials, said I should come work for him. He stated, if I could handle the kids, parents and umpires in a Little League game, I could handle his contractors. I've been in heavy construction ever since then – 25 years now.



Mike Leathers, Thompson Pipe Group

I started in ready-mix concrete with Australian-owned Pioneer, which was later acquired by Hanson and then Heidelberg Cement. I moved from concrete to pipe and girders in 2002, then pressure focus, helping with the acquisitions of Price Brothers and Hyprescon in 2007. I went to TPG in 2013, I've learned about the contractor side of the business and specifically dealing with a private, family owned company. We recently acquired the Forterra (previously Hanson) U.S. concrete and steel pressure division. I'm grateful to have served various roles in operations and sales, from rep to GM to division president and other positions throughout my career. I appreciate every aspect and role to success.



I started attending ACPPA events in 2002 and slowly became more involved in the association. I was president from 2008 to 2010.

Tell us about Thompson Pipe. According to its website, the company is the “largest, most diverse pressure pipe provider in North America.” What makes it special? What are its strategic goals and what can you tell us about achieving them?

TPG has a vast array of large diameter pipe solutions – RCP to FRP to concrete and steel pressure pipe for open cut or trenchless applications of clean and dirty water – and a history as a utility contractor. We have great talent and resources across operations, engineering and sales. We approach the market with a humble confidence, keeping a constructive tension with owners, engineers, and contractors, which helps produce insight into technical challenges and is important to finding solutions.

We stick to the basics, learn from history, manage risks and partner with construction companies. Face to face conversation – personal interaction – is still the key to success, but we leverage that engagement with our social media in order to highlight our activity and discipline in the market. We believe in winning culture and work with great energy and passion while focusing on servant leadership.

TPG has extensive engineering and field services to support various pipe solutions. We feel strongly that no single pipe is the solution for all applications/environments, so a key part of our work is helping determine what the right one is and getting it in place.

What value do you see in industry organizations like ACPPA?

The association helps those of us in the business maintain great knowledge and benefit from each other's experience supporting a great product. It's powerful to interact with a group of professions who know that concrete pressure pipe is a great product – maybe the best – when made right and installed and operated properly.

ACPPA is ready to fight to support that and make the industry take action to promote the business, educate both customers and the general public, and grow...it keeps us from getting too lazy.

What do you believe are the biggest opportunities for growth in the industry? What makes you optimistic?

We have the chance to educate others about when and why concrete pressure pipe should be chosen and how it can be utilized alongside other products. In working with customers and partners, we get to demonstrate commitment through our level of service and get to be a resource in making their businesses strong.

Overall, learning from the past makes me optimistic. The public is getting more demanding, customers are better educated and our communications reach is broader – all of this demands that we consistently improve, which will serve the industry well.

From a business standpoint, what challenges do you see on the horizon? How can ACPPA and its members help tackle them collectively?

Our largest challenge in industry is dealing with the pain points stemming from past pipeline failures. We need to manage this in particular while dealing with alternative products and working with our customers (remember: we are a resource for them) to understand the differences, risks, benefits and uses of each.

In terms of people, we need to find and coach the right teams to ensure we grow the right skills, plan right activities, set right goals. We believe we must hire and keep good personnel and get them on the ground where operations are; don't be afraid to attack those "pain points" head on by teaching & learning...educate, educate, educate.

ACPPA would like to thank Mr. Leathers for taking the time to share his insights. The views expressed in this interview are Mr. Leathers' and not necessarily those of ACPPA. 

A Taxing Debate Continues

Tax reform is front and center on Capitol Hill as lawmakers race to get legislation to the president's desk by the holidays.

With the Senate currently debating its version of the tax bill and a vote expected this week, the situation is extremely fluid and the legislation's fate is still uncertain. Sens. John McCain (R-Ariz.) and Lisa Murkowski (R-Alaska), both key swing votes, announced their support for the bill this week, but Sens. Susan Collins (R-Maine), Bob Corker (R-Tenn.), and Jeff Flake (R-Ariz.) all apparently remain undecided. With the GOP's narrow margin of control in the Senate, Republicans can only afford to lose two of their party's votes to pass the bill.

Assuming that the Senate bill does pass, the next step will be a House-Senate conference to work out differences between the two chambers' competing versions of the legislation.

While the business community broadly supports the concept of tax reform, there's considerable ambivalence among business groups in Washington, D.C. about the bills currently under consideration on Capitol Hill. The 20 percent corporate tax rate established by both bills would be a very positive change, but other things that are – and aren't – in the bills are causing heartburn. *[For a more detailed look, see the chart below comparing the bills to the tax priorities adopted by ACPPA's Board.]*

A Missed Opportunity for Infrastructure

Construction groups are disappointed that the bills don't create new infrastructure revenue streams or financing tools. Many had seen a tax and budget deal as the best opportunity to find new funding for the [Highway Trust Fund](#) and other federal construction programs and to lay the foundation for the president's promised infrastructure package. The House bill in particular takes a step backward on infrastructure by eliminating private activity bonds (PABs) that often support investment. ACPPA has been leading efforts for years to encourage *more* use of PABs. There's also growing concern among construction groups that because the tax bills would add an estimated \$1.5 trillion to the national debt, lawmakers will be less enthusiastic about pursuing a big infrastructure investment bill next year.

Cost Recovery – The Good News and Bad

The bills also greatly expand business expensing, but those changes aren't permanent and both versions eliminate the business interest deduction for larger companies. Both bills would also remove like-kind exchange for business assets; in recent years, LKE has become an important tool to help construction companies mitigate tax consequences of selling fully-depreciated assets. The legislation also changes rules

relating to the deductibility of research and development costs and eliminates the domestic production deduction.

ACPPA members are encourage to review the details of the House and Senate bills and to share thoughts and concerns. In particular, we'd like to know whether the lower corporate rate offsets the loss of the deductions our pipe manufacturers have generally considered important. Send your comments to ACPPA Counsel Christian A. Klein at christian.klein@potomac-law.com.

For information about the Senate tax bill, [click here](#). For information about the House tax bill, [click here](#).

Here's a more detailed analysis of how the House and Senate bills line up against ACPPA's tax priorities:

ACPPA Tax Priority	Senate Bill	House Bill
Reduce top corporate tax rate to 25 percent.	Sets corporate tax rate at 20 percent.	Sets corporate tax rate at 20 percent.
New funding and financing for long-term infrastructure investment.	Includes no new infrastructure revenue or financing tools and eliminates advance refunding bonds.	Includes no new infrastructure revenue or financing tools and eliminates private activity, tax credit and advance refunding bonds.
Promote capital investment.	Provides 100 percent expensing for new and used tangible property put in service between Sept. 27, 2017 and Jan. 1, 2023. Sec. 179 changed to allow \$1 million in immediate expensing as long as total investment is less than \$2.5 million. For business with revenues in excess of \$15 million, business interest deduction limited to 30 percent of the business's adjusted taxable income. Eliminates like-kind exchanges for tangible business assets.	Provides 100 percent expensing for new and used tangible property put in service between Sept. 27, 2017 Jan. 1, 2023. Sec. 179 changed to allow \$5 million in immediate expensing as long as total investment is less than \$20 million. For businesses with revenues in excess of \$25 million in annual revenues, business interest deduction limited to 30 percent of the business's adjusted taxable income. Eliminates like-kind exchanges for tangible business assets.
Encourage manufacturing research and development.	No provision found in bill.	Changes current law to require all research and experimentation expenditures (many of which are currently deductible in the year incurred) to be amortized over a five-year period.
Maintain the manufacturing deduction tax credit.	Repeals the domestic production deduction.	Repeals the domestic production deduction.
Improve international tax rules.	Overhauls international tax system, including changing the current-law system of taxing U.S. corporations on the foreign earnings of their foreign subsidiaries when these earnings are distributed and replacing it with a dividend-exemption system.	Overhauls international tax system, including changing the current-law system of taxing U.S. corporations on the foreign earnings of their foreign subsidiaries when these earnings are distributed and replacing it with a dividend-exemption system.
Allow current year advertising expensing.	No provision found in bill.	No provision found in bill.
Maintain the deductibility for local lobbying expenses.	No provision found in bill.	Repeals deduction for local lobbying activities. 

Pressure Pipe Post

ACPPA's Monthly Source for Industry News

November 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 ACPA.

NEWS RESULTS

Fly Ash

How to Build a Highway: Finding, Filling Old Mines a Major Part of Southern Beltway Construction

11/27/2017 <http://www.post-gazette.com/news/transportation/2017/11/27/Southern-Beltway-mining-grout-process-Allegheny-Washington-700-million/stories/201711250001>

Almost no matter what you build in Western Pennsylvania, you have to consider the possibility that in previous generations the site had been mined for coal.

Coal Ash Recycling at Record Rate Despite Lower Concrete Market Consumption

11/22/2017 <http://www.concreteproducts.com/news/10732-coal-ash-recycling-at-record-rate-despite-lower-concrete-market-consumption.html>

The American Coal Ash Association's just-released "Production and Use Survey" pegs 2016 Class F and Class C fly ash consumption in concrete at 14.4 million tons, down 8 percent from the prior year's record 15.7 million tons. ACAA attributes the dip to regional supply shortages that resulted from power plant shutdowns and generating stations' changing fuel profiles.

Letter: Keep Coal Ash Out of Forsyth County

11/22/2017 <http://www.northfulton.com/stories/keep-coal-ash-out-of-forsyth-county,122149>

The citizens group Stop Trashing Forsyth and the Etowah, LLC. is opposed to the expansion and to any permit which would allow toxic coal ash/fly ash to be dumped in this landfill.

TVA Plans Coal Ash Safety Upgrades at Cumberland Fossil Plant

11/16/2017 <http://www.theleafchronicle.com/story/news/local/stewart-houston/2017/11/16/tva-plans-coal-ash-safety-upgrades-cumberland-fossil-plant/869734001/>

TVA has come up with new ways to safely manage the way coal ash is stored at the Cumberland Fossil Plant. And not only will the project improve safety, TVA says it will also inject millions of dollars into local economies.

Infrastructure

North Dakota Gets \$14.7M in DWSRF Loans for Water Infrastructure Funding

11/27/2017 <http://www.waterworld.com/articles/2017/11/north-dakota-gets-14-7m-in-dwsrf-loans-for-water-infrastructure-funding.html>

The U.S. Environmental Protection Agency has awarded \$14,715,000 in Clean Water and Drinking Water state revolving loan (SRF) funding to the North Dakota Department of Health to support key water infrastructure projects, including new and upgraded wastewater and drinking water plants to ensure clean drinking and surface water, better serve residents, increase efficiency and reduce pollution.

Cities Across Minnesota are Racing to Replace Aging Water Pipes, Sewer Systems

11/25/2017 <http://www.startribune.com/cities-across-minnesota-are-racing-to-replace-aging-water-pipes-sewer-systems/459973313/#1>

City leaders now are looking to act with aging out-of-sight, out-of-mind infrastructure that, in some cases, has been patched for decades.

\$300 Billion War Beneath the Street: Fighting to Replace America's Water Pipes

11/10/2017 <https://www.nytimes.com/2017/11/10/climate/water-pipes-plastic-lead.html>

Bursting pipes. Leaks. Public health scares. America is facing a crisis over its crumbling water infrastructure, and fixing it will be a monumental task.

[New Jersey] Drainage Project Means Detours in Hamilton Township Starting Wednesday

11/06/2017 http://www.pressofatlanticcity.com/news/breaking/drainage-project-means-detours-in-hamilton-township-starting-wednesday/article_7f40eee8-5575-5d74-915e-2f7ac91aa3fd.html

A major township intersection will be closed during daytime hours for several weeks starting Wednesday, according to the New Jersey Department of Transportation.

Safety

Worker Killed During Sewer Line Repairs

11/10/2017 <https://www.wateronline.com/doc/worker-killed-during-sewer-line-repairs-0001>

In addition to being an onerous, often overwhelming logistical challenge to utilities, pipe repair can often be quite dangerous to those tasked with performing it. In a devastating example of this danger, a construction worker was recently killed.

Sewer

Four Mile Creek Sewage Pipes: A Planned Sewage Pipe in Northern Kentucky Meets Opposition After a Recent Spill Nearby

11/27/2017 <http://www.wcpo.com/news/insider/four-mile-creek-sewage-pipes-a-planned-sewage-pipe-in-northern-kentucky-meets-opposition-after-a-recent-spill-nearby>

A sewage spill in Banklick Creek has folks along Four Mile Creek concerned about a proposed forced main that will go under that creek.

Waterproof Figures: Ceresana Study on Plastic Pipes

11/23/2017 <https://www.prlog.org/12678370-waterproof-figures-ceresana-study-on-plastic-pipes.html>

Sewage systems have been around for about 5000 years. However, not everywhere: In France, for instance, more than 5 million households are not connected to the public sewage network. In rural areas in particular, the sewage infrastructure in Europe still has to be expanded. In the cities, it is less about new construction than about replacing old piping systems.

[New York] Repairs Finished on 500 Feet of Pipe that Spewed Sewage into Onondaga Lake

11/17/2017 [http://www.syracuse.com/news/index.ssf/2017/11/repairs_finished_on_500_feet_of_pipe_t_hat_spewed_sewage_into_onondaga_lake.html](http://www.syracuse.com/news/index.ssf/2017/11/repairs_finished_on_500_feet_of_pipe_that_spewed_sewage_into_onondaga_lake.html)

Work crews this week replaced more than 500 feet of a sewer pipe that spewed millions of gallons of sewage into Onondaga Lake during heavy rains last month.

[Michigan] Crushed Sewer Line at Former Sears Store Spills 8K Gallons of Raw Sewage

11/08/2017 http://www.mlive.com/news/grand-rapids/index.ssf/2017/11/crushed_sewer_line_at_former_s.html

Thousands of gallons of raw sewage spilled out of a pipe after it was crushed during construction at the site of the former Sears store at 3099 Woodland Drive SE in Kentwood.

Technology

DARPA Issues RFI to Innovate in Underground Mapping, Navigation

11/27/2017 <http://mil-embedded.com/news/darpa-issues-rfi-to-innovate-in-underground-mapping-navigation/>

The Defense Advanced Research Projects Agency has issued a request for information on potential concepts for innovative technology platforms designed to navigate and map urban underground infrastructure, man-made tunnels, natural cave networks, and other subterranean environments.

Teen Identifies Way to Detect Failing Underground Pipes

11/15/2017 <https://www.sciencenewsforstudents.org/article/teen-identifies-way-detect-failing-underground-pipes>

A leaky pipe can cause a lot of damage. In a home, it can ruin floors, walls and furniture. Outdoors, water leaking from a high-pressure water pipe can wash away soil and create sinkholes. And even before such leaks cause damage, they can rob communities of massive amounts of clean water needed for drinking and other uses. But a teen now reports a way to detect damage in a water pipe — even one buried in the ground. In some cases, his technique might find a failing pipe before it leaks a drop.

Water Systems**[Texas] Water Line Expansion Project on Deck in Red Oak**

11/20/2017 <http://www.waxahachietx.com/news/20171120/water-line-expansion-project-on-deck-in-red-oak?>

Construction on a new water line expansion project will be soon underway as the last hurdle was cleared with the purchase of right of way.

[Colorado] Water System Dedicated to Quality and Conservation

11/20/2017 <http://www.mswmag.com/editorial/2017/12/water-system-dedicated-to-quality-and-conservation>

The founders of the Greeley, Colorado, water system would have been mighty proud when the city won the Best of the Best award in the American Water Works Association water-taste competition this year.

[Massachusetts] The Fight to Escape Private Water in North Attleboro

11/16/2017 http://www.thesunchronicle.com/news/local_news/the-fight-to-escape-private-water-in-north-attleboro/article_7ea65f40-53ff-509c-9f23-38fe03898b97.html

A day after residents and town officials gathered to consider ways to bring the Kings Grant Estates neighborhood onto town water, the owner of a private water company responsible for a four-day outage in the area has accused the town of attempting a “hostile takeover” of his business.

How to Protect Your Water Supply Against Flooding

11/10/2017 <https://www.wateronline.com/doc/how-to-protect-your-water-supply-against-flooding-0001>

A small, coastal Massachusetts town plagued by floods and imperiled drinking water supplies teamed with the EPA to bolster its defenses, resulting in a framework for other at-risk communities to follow.

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

11/21/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-11-21/pdf/2017-25169.pdf>

The Environmental Protection Agency (EPA) is issuing this notice of data availability (NODA) in support of the proposed rule titled “National Emission Standards for Hazardous Air Pollutants From the Portland Cement Manufacturing Industry; Residual Risk and Technology Review,” which was published on September 21, 2017. In this document, the EPA is soliciting public comment on information added to the docket (EPA-HQ-OAR-2016-0442) on November 3, 2017.

Water Infrastructure**Environmental Protection Agency | Notice | Information Session; Implementation of the Water Infrastructure Finance and Innovation Act of 2014**

11/14/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-11-14/pdf/2017-24639.pdf>

The Environmental Protection Agency is announcing plans to hold an information session on January 17, 2018 in Washington, DC. The purpose the session is to provide prospective borrowers with a better understanding of the Water Infrastructure Finance and Innovation Act (WIFIA) program requirements and application process.

Water Supply**Department of Defense Army Corps of Engineers | Notice | Availability of the Final Environmental Impact Statement for the Lower Bois d’Arc Creek Reservoir Project, Fannin County, TX**

11/09/2017 <https://www.gpo.gov/fdsys/pkg/FR-2017-11-09/pdf/2017-24396.pdf>

The U.S. Army Corps of Engineers (USACE) Tulsa District has prepared a Final Environmental Impact Statement (FEIS) to analyze the direct, indirect, and cumulative effects of the construction of the proposed Lower Bois d’Arc Creek Reservoir (LBCR) and related actions proposed by the North Texas Municipal Water District (NTMWD) in Fannin County, Texas.

LEGISLATIVE RESULTS**Flood****H.R. 1735 | Introduced by Rep. Babin, Brian (R-Texas) | Community Empowerment for Mitigated Properties Act of 2017**11/21/2017 <https://www.congress.gov/bill/115th-congress/house-bill/1735>

To direct the Administrator of the Federal Emergency Management Agency to issue guidance regarding implementation of certain buy-outs or the acquisition of property for open space as a flood mitigation measure, and for other purposes.

Water Infrastructure**H.R. 4419 | Introduced by Rep. Newhouse, Dan (R-Wash.) | Bureau of Reclamation and Bureau of Indian Affairs Water Project Streamlining Act**11/16/2017 <https://www.congress.gov/bill/115th-congress/house-bill/4419>

To facilitate and streamline the Bureau of Reclamation and Bureau of Indian Affairs processes for creating or expanding certain water projects, and for other purposes.

Water Supply**H.R. 4423 | Introduced by Rep. Johnson, Sam (R-Texas) | North Texas Water Supply Security Act of 2017**11/16/2017 <https://www.congress.gov/bill/115th-congress/house-bill/4423>

To limit claims under Federal law seeking judicial review of any environmental impact statement, environmental review, or authorization for the Lower Bois d'Arc Creek Reservoir Project in Fannin County, Texas, and for other purposes.

