

June 29, 2016 – VOLUME 13, ISSUE 6

House, Senate Appropriations Committees Propose SRF Increase

In response to the Flint water crisis and a renewed focus on crumbling water infrastructure networks in municipalities across the country, congressional appropriators have proposed increasing Drinking Water State Revolving Fund (SRF) funding.

Reacting to both public and industry pressure, both the House and Senate fiscal year 2016 Interior and Environment Appropriations bills contemplate at least partially reversing recent cuts to the Drinking Water SRF programs. The House proposal, which was approved by the full Appropriations Committee on June 15, provides \$1 billion for the Clean Water SRF and \$1.07 billion for the Drinking Water SRF. The following day, on June 16, the Senate Appropriations Committee blessed legislation to increase funding for the SRF programs to \$2.37 billion (\$1.35 billion for the Clean Water SRF and \$1.02 billion for the Drinking Water SRF). The Clean Water SRF is currently funded at \$1.39 billion and the Drinking Water SRF at \$863 million.

Both chambers are also seeking to provide funding for the Water Infrastructure Finance and Innovation Act (WIFIA). Established in 2014 with enactment of the [Water Resources Reform and Development Act \(WRRDA\)](#), WIFIA provides low interest rate financing for the construction of water and wastewater infrastructure. Unfortunately, due to various restrictions and inadequate funding, the WIFIA program has taken longer than anticipated to get off the ground. Nonetheless, the House Appropriations Committee proposes WIFIA receive \$50 million while the Senate's panel seeks \$30 million.

Despite a recent flurry of action on the Interior and Environment Appropriations legislation, the proposals' prospects are bleak. With a limited legislative calendar and controversial environmental-focused policy riders in both the House and Senate bills, conventional wisdom is the SRF programs will be funded through a continuing resolution or omnibus appropriations package later in the year.

Stay tuned to *Actionline* for updates.

House GOP Tax Reform Plan Aligns with Key ACPPA Goals

For years, ACPPA has called for comprehensive tax reform that simplifies the code, reduces corporate rates, improves the climate for capital

ACPPA Tax Priority #1
Reduce top corporate tax rate to 25 percent.

investment, raises more revenue for infrastructure investment and supports the activities businesses need to thrive. Past tax reform plans proposed by House and Senate leaders have come up short on most of the points. Now we have a proposal that checks some of the key boxes.

ACPPA Tax Priority #2
New funding and financing for long-term infrastructure investment.

On June 24, the Republican leadership of the House Ways & Means Committee unveiled a blueprint for comprehensive tax reform that's largely aligned with ACPPA's tax agenda. Among other things, the Ways &

Means blueprint proposes to:

- Lower the U.S. corporate tax rate from the highest in the industrialized world to 20 percent and shifting to a "territorial" system with more competitive rates.
- Provide a tax-free return on new capital investment by allowing full and immediate write-offs (i.e., 100 percent expensing for business assets).
- Eliminate the alternative minimum tax.
- Simplify the tax code by consolidating the individual system down to three tax brackets, lowering the top individual income tax rate to 33 percent, creating a larger standard deduction and a larger child and dependent tax credit.
- Make it easier to pay for higher education by streamlining the maze of education tax benefits.
- Cut taxes on savings and investment by allowing families and individuals to deduct 50 percent of the dividends, capital gains and interest received from stocks and mutual funds.

ACPPA Tax Priority #3
Promote capital investment.

ACPPA Tax Priority #4
Encourage domestic production

ACPPA Tax Priority #5
Improve international tax rules.

One area where the House Ways & Means plan falls short is on infrastructure. ACPPA has long argued that Congress should use the tax reform process to create new user fees to shore up the Highway Trust Fund (HTF) and generate revenue for sewer and drinking water construction. Better infrastructure is critical to a growing, competitive economy. While economic growth is one of the blueprint's major priorities, unfortunately it makes no mention of infrastructure, user fees or financing tools such as bonds. The association and its allies will continue advocating aggressively to ensure the HTF's long-term stability and more resources for other forms of infrastructure investment.

ACPPA Tax Priority #6
Allow current year advertising-cost expensing.

ACPPA Tax Priority #7
Maintain deductibility of local lobbying expenses.

While the Ways & Means blueprint is an important step in the reform process, there is still a long way to go. Over the next several months, lawmakers and lobbying organizations will be analyzing the proposal to determine its potential impact on the economy and specific sectors. Although pressure for tax reform is building, nothing significant will happen until the new president takes office next year and the new Congress convenes.

To read House Ways & Means Chairman Kevin Brady's (R-Texas) Wall Street Journal op-ed about the reform, [click here](#).

Use the following links to learn more about the GOP's Tax Blueprint:

[Snapshot](#)

[Business Aspects](#)

[Basic Overview](#)

[Full Text](#)

House Committee Opens Effort to Overhaul Technical Education

On June 28, leaders of the House Committee on Education and the Workforce unveiled the “Strengthening Career and Technical Education for the 21st Century Act.” Introduced by Reps. Glenn “GT” Thompson (R-Pa.) and Katherine Clark (D-Ma.), [the legislation](#) reauthorizes and reforms the Carl D. Perkins Career and Technical Education Act, which is the central federal investment mechanism for high-skill training.



Carl D. Perkins
Vocational and Technical Education Act of 2006

Since 1984, the Perkins Act has provided federal support to state and local career and technical education (CTE) programs. Its grants have offered students the opportunity to gain the knowledge and skills necessary to compete for jobs in a broad range of fields, such as construction, health care and technology. Unaltered since 2006, the law no longer reflects the realities and challenges facing students and workers.

Through the bill, committee members seek to build on recent K-12 education reforms in order to:

- Deliver states more flexibility to use federal resources in response to changing needs.
- Ensure CTE prepares all students, including historically disadvantaged and vulnerable students, for success in high-skill, high-wage occupations and careers in nontraditional fields.
- Improve alignment with in-demand jobs by supporting innovative learning opportunities, building better community partnerships, and encouraging stronger engagement with employers.
- Enhance career and technical education through increased focus on employability skills, work-based learning opportunities, and meaningful credentialing so students are prepared to enter the workforce poised for success.
- Streamline performance measures to ensure career and technical education programs deliver results for students and taxpayers.
- Reduce administrative burdens and simplify the process for states to apply for federal resources.
- Reward success and innovation by directing federal resources to replicate promising practices that best serve students and employers.
- Provide parents, students, and stakeholders a voice in setting performance goals and evaluating the effectiveness of local programs.
- Empower state and local leaders to develop plans that improve the quality of career and technical education and take into account unique local and state needs.

Responsive federal workforce policy should provide states and communities with the tools necessary to stimulate the growth of skills that put students into jobs. Congress must prioritize technical education and utilize Perkins as a tool to further empower states to support needed skills. Stay tuned to *Actionline* as the bill – and the long-expected version from the Senate’s Health, Education, Labor and Pensions (HELP) Committee – move forward through the legislative process.

[Use the following links to learn more about the Strengthening CTE for the 21st Century Act:](#)

[Fact Sheet](#)

[Bill Summary](#)

[Full Text](#)

FAA Builds Reasonable, Flexible UAS Framework

On June 21, [the Federal Aviation Administration announced](#) the first operational rules for routine commercial use of small unmanned aircraft systems (sUAS). The rule, which has [since been published in the Federal Register](#), establishes 14 CFR part 107 to govern the broad category of aircraft commonly referred to as “drones.” Through its first effort at such oversight, the agency effectively established a limited framework within which to regulate operations.

In 2015, more than 4,500 individuals with an interest in UAS regulation submitted comments to the FAA’s notice of proposed rulemaking (NPRM). Efforts to integrate these aircraft into the national air space draw considerable attention from Congress and general public, with potential applications in everything from retail shopping to real estate.

In response, the final rule creates a basic structure for UAS operations but allows for considerable flexibility and limits burdens on both the FAA and the public. Individual users may obtain waivers from operational restrictions by approval of the administrator. The agency limited any “undue burden” on both itself and industry by exempting sUAS from airworthiness certification.

This is a significant first step in controlling the use of sUAS by serious aviators and the general public. The aviation industry has long been a small community of knowledgeable certificate holders and aviation safety inspectors carrying the responsibility for air safety. The comparatively simple requirements for sUAS represent acknowledgement of the new challenge posed by having the general population – as it will be in most sUAS users – as both operator and maintenance provider.

To review the final rule, [click here](#).

TRIP Report: U.S. Highway System Showing its Age at 60

On June 27, the nonprofit transportation research group [TRIP](#) released its most-recent report: [The Interstate Highway System Turns 60: Challenges to Its Ability to Continue to Save Lives, Time and Money](#). The report found that as the U.S. Interstate Highway System turns 60 years old this week, it faces increasing congestion, unprecedented levels of travel – particularly by large trucks – and insufficient funding to make needed repairs and improvements.

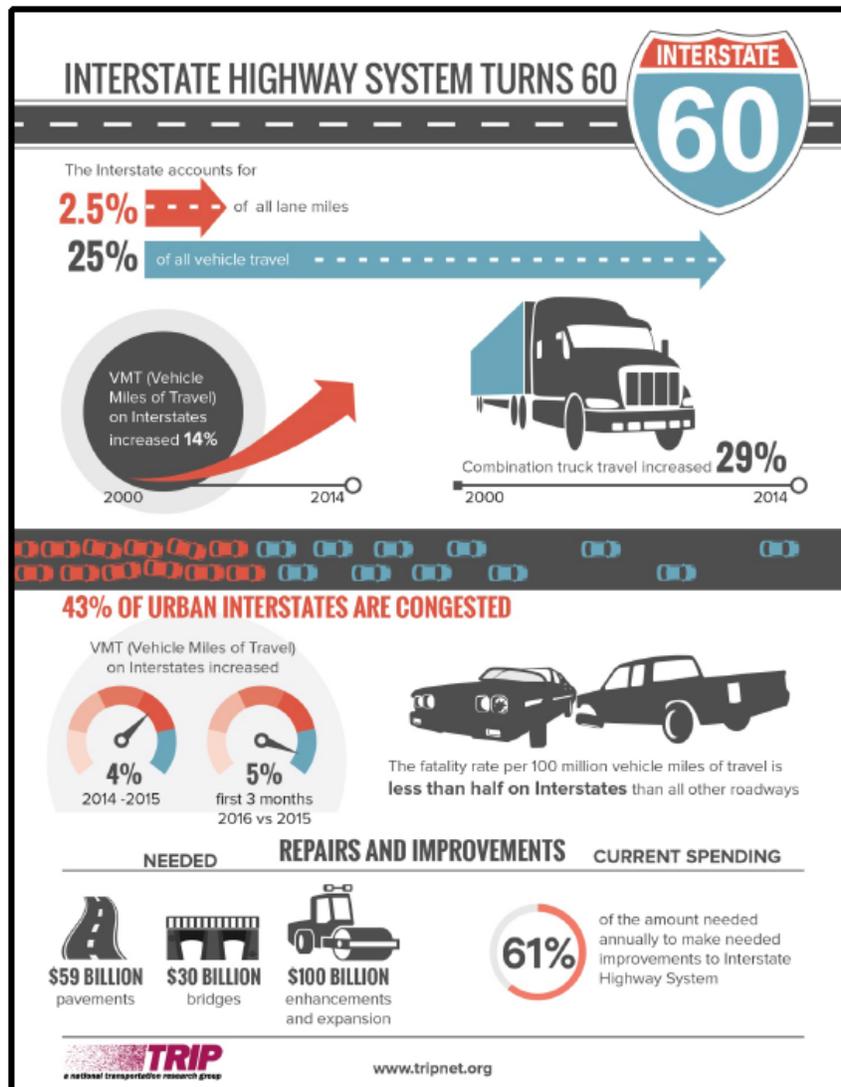
While the nation’s highways tend to be in better condition than other roads and bridges, the aging system is becoming more and more congested but lacks the required funding for needed improvements and repairs. The current backlog of highway improvements is estimated by the Department of Transportation to be \$189 billion. The nation’s current transportation investment falls far short of this level, and is less than two-thirds (61 percent) of the amount needed to keep highways in good condition and make the improvements necessary to meet the nation’s growing need for personal and commercial mobility.

The [Fixing America’s Surface Transportation \(FAST Act\)](#), passed in 2015 after months of uncertainty, modestly increased spending without providing a long-term, sustainable revenue source. As a result, the nation’s Highway Trust Fund will face a \$16 billion annual shortfall by 2020.

The condition of interstates is acceptable, but deficiencies could be exacerbated by recent surges in vehicle miles traveled. Reinvesting in American highways is a key tool for the federal government to pump resources into the economy, provide certainty for businesses up and down the supply chain, facilitate interstate commerce and help ensure the safety of millions of motorists each day.

While the passage of the FAST Act was a victory for ACPPA and its industry allies, the association continues its work to put the Highway Trust Fund back on stable fiscal footing and ensure the long-term health of the national infrastructure. The TRIP report underscores not only the importance of the Interstate Highway System, but also the absolute necessity of securing its future.

For more information about the report, including state-by-state traffic and congestion data, visit www.tripnet.org.



Pressure Pipe Post

ACPPA's Monthly Source for Industry News

June 2016

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

More than 5,000 U.S. Water Systems Violated Lead-Testing Rules Last Year

06/28/2016 <https://www.washingtonpost.com/news/to-your-health/wp/2016/06/28/more-than-5000-u-s-water-systems-violated-lead-testing-rules-last-year/>

If you think Flint, Mich., is the only place in the United States threatened by lead-contaminated water, think again.

In Wake Of Flint, Gov. Snyder Unveils Safe Drinking Water Plan

06/21/2016 <http://www.wateronline.com/doc/in-wake-flint-gov-snyder-unveils-drinking-water-plan-0001>

In an effort to calm resident's concerns over the water contamination crisis in Flint, MI, Governor Rick Snyder unveiled a 30-year strategy for safe drinking water.

Florida Utility Battles Asbestos In Water Pipes

06/21/2016 <http://www.wateronline.com/doc/florida-utility-battles-asbestos-in-water-pipes-0001>

A Florida water utility is waging a \$1.4 million battle against asbestos.

Water Project Aims at Curbing Carcinogens in Davis

06/13/2016 <http://www.abc10.com/news/local/davis/water-project-aims-at-curbing-carcinogens-in-davis/242746457>

Hundreds of water customers in Davis received a notice along with their water bills this month, alerting them about excessive levels of a carcinogen in the water – hexavalent chromium.

Coal Ash/Fly Ash

WisDOT Recycles Road Construction Materials

06/27/2016 <http://wtaq.com/news/articles/2016/jun/27/wisdot-recycles-road-construction-materials/>

With many construction projects underway throughout the state, the Department of Transportation is employing recycling techniques to keep material costs down.

Georgia Power Spending Nearly \$2 Billion to Retire Coal Ash Ponds

06/20/2016 <http://www.macon.com/news/local/article84877497.html>

For the past 25 years, Joella Pipkin has worried about her water supply. Living in Monroe County just south of Georgia Power's Plant Scherer, the 73-year-old Pipkin fears that contaminants in her well may have adversely affected her health.

Semi Carrying Fly Ash Involved in Wreck, Spills it All Over Highway

06/20/2016 <http://fox4kc.com/2016/06/20/semi-carrying-fly-ash-involved-in-wreck-spills-it-all-over-highway/>

Highway 150 closed under I-49 Monday morning because a semi carrying fly ash tipped over and spilled it all over the highway. The southbound I-49 ramp to eastbound 150 Highway has to be closed for investigation and clean-up

'Fly Ash' Spill Causes Big Mess

06/17/2016 http://www.douglascountysentinel.com/fly-ash-spill-causes-big-mess/article_06fee96a-3494-11e6-b6df-0741a9b5d245.html

A dry tanker spilled a large amount of "fly ash" in downtown Douglasville Thursday morning, causing a big mess and traffic jams at the railroad crossing at Highway 92 and Campbellton Street.

Reducing Concrete's Hefty Carbon Footprint

06/13/2016 <http://www.greenbuildingadvisor.com/blogs/dept/guest-blogs/reducing-concrete-s-hefty-carbon-footprint>

A roomful of materials scientists, gathered at UCLA for a recent conference on "grand challenges in construction materials," slowly passed a brick-size white block around the room. They held in their hands, briefly, part of the solution to one of those grand challenges. The white block, rock solid and surprisingly lightweight, was a new alternative to cement, the glue that holds together aggregate, or crushed rock, to make the world's most ubiquitous building material: concrete.

Fly Ash's Future

06/10/2016 http://www.concreteconstruction.net/how-to/materials/fly-ashes-future_o

With the ongoing closure of coal-fired power plants and ash ponds across America, will fly ash continue to be available to concrete producers? Those working with the material seem confident it will.

Pipes & Infrastructure

Anatomy of a Water Main Break: New Capital Plan Seeks to Address Aging Water Distribution System

06/27/2016 http://homenewshere.com/tewksbury_town_crier/news/article_e0919164-3c96-11e6-8ad9-5bad6aa13d3c.html

Ensuring uninterrupted distribution of water throughout almost 170 miles of pipe running under the town of Tewksbury's streets is a priority for the DPW and the Water and Sewer Department.

Michigan Laborers' Training & Apprenticeship Institute working to train pipe-layers

06/23/2016 <http://www.abc12.com/content/news/Michigan-Laborers-Training--Apprenticeship-Institute-working-to-train-pipelayer-384191271.html>

The Michigan Laborers' Training and Apprenticeship Institute has a four-week course designed to employ city of Flint residents in construction trades- specifically to help replace water service lines in Flint.

Buried Pipe Failures Dependent on Soil Stiffness, Too

06/17/2016 <https://pgjonline.com/2016/06/17/buried-pipe-failures-dependent-on-soil-stiffness-too/>

Performance limits and potential failures must be identified for buried pipe design. Chief among those are excessive deformations of the pipe, wall buckling and collapse.

Crews Work to Replace Old Pipes in Norfolk

06/16/2016 <http://www.13newsnow.com/news/local/mycity/norfolk/crews-work-to-replace-old-pipes-in-norfolk/246026388>

For the past several months crews have been working to update aging pipes. The project is headed by the Hampton Roads Sanitation District and costs a little more than \$11 million.

Price of a Problem: City in a \$1.3 Million Dispute with Federal Division on Damage to Water Main

06/14/2016 http://helenair.com/news/politics/city-county/price-of-a-problem-city-in-a-million-dispute-with/article_1699c7a4-9739-5450-b442-a1be52b052a0.html

The city of Helena is in a \$1.3 million dispute with a federal agency that is funding the reconstruction of 6.25 miles of Rimini Road, a project valued at nearly \$11 million.

147-Year-Old Water Main Faces Repairs

06/14/2016 <http://www.louisvilledistilled.com/features/Louisvillewaterrepairswatermain.aspx>

Safe, clean water became a reality when Louisville Water began its operations in 1860. The water main along Mellwood Avenue was installed between 1868 and 1869 to provide the city with a second supply line. In fact, Mellwood Avenue was originally called "Reservoir Avenue" because of the location of Louisville Water's original reservoir where the Veteran's Administration Medical Center is now located.

Water Systems

Water Utility Rebuilds System After Disaster

06/27/2016 http://www.mswmag.com/editorial/2016/07/water_utility_rebuilds_system_after_disaster

The magnitude 6.0 South Napa earthquake struck Northern California in 2014, killing one person, injuring 200, destabilizing hundreds of buildings, buckling pavement, shearing water pipes and damaging other critical water infrastructure. Despite the devastation, the City of Napa Water Division quickly rolled into action with the assistance of neighboring utilities to stabilize the system and restore services — all within a week.

McCloud Receives \$39,250 Emergency Grant for Wastewater System Improvements

06/23/2016 <http://www.news-star.com/news/20160623/mcloud-receives-39250-emergency-grant-for-wastewater-system-improvements>

The McCloud Public Works Authority in Pottawatomie County received approval for a \$39,250 Emergency Grant Tuesday through the Oklahoma Water Resources Board to improve the Authority's wastewater infrastructure.

Falls City Water Gets New Plan

06/22/2016 <http://www.polkio.com/news/2016/jun/22/falls-city-water-gets-new-plan/>

Work on the city of Falls City's water master plan update is in full swing and should be completed by October.

Drainage Projects Top the City's Recommended Half Cent Sales Tax Project List

06/17/2016 <http://www.tylerpaper.com/TP-News+Local/237460/drainage-projects-top-the-citys-recommended-half-cent-sales-tax-project-list>

They may not be as glamorous or popular as new roads projects or firestations, but the city of Tyler is hoping drainage projects take priority next year when it comes to choosing what projects will be funded through half-cent sales tax revenue.

Westlake Looks to Move Forward on Creation of Water Department

06/13/2016 <http://westlife.northcoastnow.com/2016/06/westlake-looks-to-move-forward-on-creation-of-water-department/>

The administration of Mayor Dennis Clough is looking to move forward on establishing Westlake's own water department.