AMERICAN Concrete Pressure Pipe ASSOCIATION

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We Need A Comprehensive Energy Plan
By Rep. Phil Roe (R-TN)

Editor's Note: ACPPA periodically invites leading members of Congress to write columns for Actionline on legislative topics to allow our readers to hear directly from people making decisions on Capitol Hill. This month's guest columnist is Rep. Phil Roe (R), who is serving his second term representing Tennessee's first congressional district. He is chairman of the House Education & the Workforce Committee's Health, Employment, Labor & Pensions Subcommittee and also serves on the House Veterans Affairs Committee. The views expressed by Rep. Roe do not necessarily reflect those of ACPPA. Rep. Roe's column was written before the recent earthquakes, tsunami, and nuclear plant problems in Japan.

Rep. Phil Roe (R-TN)

Unrest in the Middle East is causing gas prices to skyrocket, with oil prices surpassing $100 per barrel. This price spike threatens any economic recovery in our own country and underscores our nation's need for a common sense, comprehensive energy plan that moves us to sustained energy independence.

Our country is too dependent on foreign oil. In the short-term, we must take steps to ensure our nation is not held hostage to the prices set by the Middle East. That means we need to look for new sources of oil wherever we can find it, including Alaska, the Outer Continental Shelf and from shale in the west. With the need to create more jobs in our country, development in the former moratoria areas of the Outer Continental Shelf and other restricted areas in the Arctic National Wildlife Refuge and the Rockies would directly create 160,000 new jobs by 2030, according to ICF International.

We need to use American innovation to accelerate technology that burns coal more cleanly because it is the most abundant energy source in our country. We also need to build new liquefied natural gas facilities, which will increase our natural gas supply.

Nuclear technology is the cleanest way to produce energy, and expanding our nuclear power is a crucial part of a comprehensive energy plan. Ultimately, we must increase the amount of nuclear power because it is reliable and emission-free. Expansion will also facilitate job growth.

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Over the long run, I believe alternative energy sources, like wind, solar, geothermal, biomass, hydroelectric and agricultural products and technologies are part of the solution. However, it's important that we recognize that many of these technologies are, at best, years from being widely available and not yet commercially viable, which means that we will continue relying on more traditional energy sources for quite some time. Any energy policy that simply ignores our existing energy sources is one that could cause great economic harm.

As part of a comprehensive energy policy, we also have to recognize that burdensome environmental regulations are often at odds with our goal of producing more energy. No one I know wants to harm the environment, but new Environmental Protection Agency (EPA) rules and regulations are unnecessarily slowing development and having a negative effect on American jobs. The EPA has a reputation for over regulating, while ignoring potentially devastating economic consequences. Instead of penalizing businesses, why not incentivize companies with tax credits to reduce their own emissions? This way, we are not punishing American workers and sending jobs overseas, which would happen under the EPA's proposed cap-and-trade plan. Tax credits have proven effective time and again at producing desired change in business.

Energy independence is one of the greatest goals we can achieve as a nation. The solution to reduce rising energy costs involves looking forward, not backward. Bringing down the cost of energy will not happen overnight, but is essential to consider ways we can all make our own use of energy more efficient.

I stand ready to work together with Congress, the Administration, and with the member companies of the American Concrete Pressure Pipe Association to come up with logical solutions that lead us to energy independence – all while working to reduce our emissions, grow our economy and enhance our national security.

House Votes to Prohibit EPA from Regulating Fly Ash

On Feb. 19, the House of Representatives approved (239-183) an amendment to its continuing resolution (CR) for fiscal year 2011 (H.R. 1) that would protect fly ash from Environmental Protection Agency (EPA) regulation.

The amendment, offered by Rep. David McKinley (R-WV), would pull funding from EPA plans to reclassify fly ash and other coal combustion residuals as a hazardous waste.

Regulating coal ash – which is recycled and used to supplement Portland cement in concrete production – would likely have a number of unforeseen consequences with no public health benefit. For concrete manufacturers, the move would drive up costs by removing a key element in production. Its classification as a hazardous waste would trigger an increase in disposal expenses for coal-fired power plants and other coal ash generators, removing a long recycled element from the supply chain and hiking consumer energy prices.

In November 2010, ACPPA joined our allies at the North American Concrete Alliance in comments to the EPA's proposal encouraging the agency to promote the continued beneficial use of fly ash and challenging the agency's Regulatory Impact Analysis.

The House CR, which trimmed more than $60 billion from the federal budget, was rejected by the Democratic-controlled Senate, leaving the amendment's status up in the air. As the House and Senate continue to negotiate a budget solution for the remainder of fiscal year 2011, ACPPA will monitor the status of McKinley's proposal. Stay tuned for future updates.

Alternative Infrastructure Financing Bills Unveiled

With highway and water infrastructure reauthorization proposals delayed because of lack of revenues and a difficult budget environment, pro-infrastructure lawmakers are looking to innovative financing to invest in projects.

Building American Jobs Act
On March 10, House Ways & Means Committee Ranking Member Sander Levin (D-MI) introduced the Building American Jobs Act (H.R. 992). The legislation extends the Build America Bonds (BABs) program for two years with a 32 percent subsidy rate in 2011 and 31 percent subsidy rate in 2012. According to the Ways & Means Committee Democrats, the BABs program helped finance $181 billion in infrastructure projects in the last two years. Republicans have been critical of BABs, claiming the program provides a large taxpayer subsidized benefit to large banks.

Additionally, H.R. 992 would eliminate the state volume caps on the issuing of private activity bonds for water and sewage facilities. The Environmental Protection Agency has suggested that eliminating the cap will attract as much as $6 billion per year in new private capital for water projects.

A full summary of H.R. 992 is available here:
http://democrats.waysandmeans.house.gov/media/pdf/112/110310_InfrastructureJobs_Summary.pdf

BUILD Act
On March 15, Sens. John Kerry (D-MA) and Kay Bailey Hutchison (R-TX) introduced the Building and Upgrading Infrastructure for Long-Term Development (BUILD) Act (S. 652). The legislation would create an infrastructure bank (American Infrastructure Financing Authority (AIFA)) to provide loans to private investors to build transportation, energy, and water projects.

The AIFA would initially require $10 billion from the federal government. However, following the original investment, the entity would be self-sustaining, relying on loan repayments and interest. For more information about the BUILD Act, visit http://kerry.senate.gov/press/release/?id=c53e83c0-b95d-4e2d-9816-d5726d2b0d6c

Both the Building American Jobs Act and the BUILD Act have been referred to the appropriate committees for consideration. Stay tuned for further updates as the proposals move through the legislative process.

Highway Program Extended…Again

On March 3, President Obama signed the Surface Transportation Extension Act of 2011 (H.R. 662) into law, extending the federal highway program through Sept. 30, 2011. Given the uncertainty surrounding all federal programs, H.R. 662 was a major victory for the construction industry.

This marks the seventh extension of SAFETEA-LU, the most recent multiyear highway law, since its September 2009 expiration. To speed up the reauthorization process and ensure that yet another extension is unnecessary, ACPPA and our allies continue to reach out to Congress and urge swift action from lawmakers.

The latest extension provides some near-term certainty to construction markets, allowing states to proceed with project lettings as the construction season gets underway. However, the long-term predictability and planning in transportation spending that the industry so desperately needs remains impossible without a new multiyear highway bill.

A limited window exists for completing work on a new highway bill. Without significant progress in the coming months, transportation infrastructure advocates will bump into the politics of a presidential election year, further diminishing the chances of completing the highway reauthorization process this Congress.

To urge your lawmakers to make highway reauthorization a top priority please visit ACPPA's grassroots action site, www.ACPPA-Action.org.

Clean Water Council Unveils New Website

The Clean Water Council (CWC) recently re-launched its website, www.cleanwatercouncil.org, in an effort to create a new one-stop shop for water infrastructure resources. CWC is managed by the National Utility Contractors Association (NUCA). ACPPA is among the leading construction trade associations that helped sponsor the new site.

The website includes CWC correspondence to Capitol Hill, press releases, reports, legislation supported by the coalition, and a state-by-state breakdown of America's wastewater and drinking water infrastructure needs. Water News Update, the CWC's daily blog, is also available on the site with the option to sign up for free daily email delivery.

U.S. Chamber Study Details Economic Cost of Stalled Energy Projects

As part of its *Project ~~No Project~~* initiative, the U.S. Chamber of Commerce released a first-of-its-kind economic study identifying 351 stalled energy projects nationwide. The construction phase alone of these stalled projects could contribute $1.1 trillion in GDP and 1.9 million jobs a year.

The study estimates the potential loss of investment and jobs in the 351 proposed renewable, coal, natural gas, nuclear, and transmission projects in 49 states that have been delayed or cancelled due to "Not in My Back Yard" (NIMBY) activism, a broken permitting process, and a system that allows for limitless lawsuits by opponents. The report features a state-by-state analysis detailing the economic output and jobs these stagnant projects could create.

Among the studies notable findings the fact that almost half of the projects identified in the study are renewable energy projects. Other highlights include:

- Investment Phase – Planning and construction of the study's projects would generate $577 billion in direct investment and would result in an approximately $1.1 trillion increase in U.S. Gross Domestic Product (GDP). An estimated 1.9 million jobs would be required during each year of construction.

- Operations Phase – Operation of the study's projects would generate $99 billion in direct annual output, yield $145 billion in increased GDP, and create an average of 791,200 jobs would be created per year of operation.

- Total Benefits – If constructed and operated for twenty years, the study estimates a total benefit of $3.4 trillion in GDP, including $1.4 trillion in employment earnings on top of an additional one million annual jobs.

The full study is available at http://www.uschamber.com/reports/progress-denied-study-potential-economic-impact-permitting-challenges-facing-proposed-energy.