

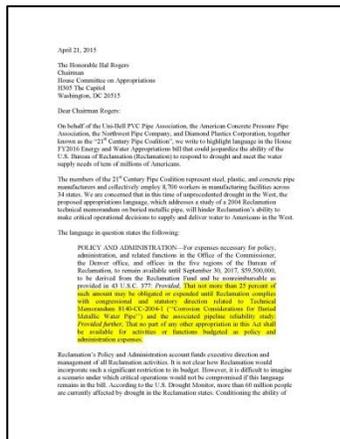
April 30, 2015 – VOLUME 12, ISSUE 4

ACPPA Weighs-In on Renewed Push to Create Reclamation Ductile Iron Pipe Preference

On April 21, ACPPA joined its partners in the “21st Century Pipe Coalition” to [express opposition](#) to language included in the House fiscal year (FY) 2016 Energy & Water Appropriations legislation ([H.R. 2028](#)) that threatens water transmission in the drought-plagued western United States by penalizing the Bureau of Reclamation (“Reclamation”) for refraining from implementing a policy favorable to ductile iron pipe manufacturers.

In recent years, Congress has included language in annual appropriations bills that subverts Reclamation’s judgment on corrosion prevention. For FY 2015, Congress adopted language preventing Reclamation from applying its technical memorandum entitled “Corrosion Considerations for Buried Metallic Water Pipe.” Ductile iron pipe manufacturers allege that the memorandum imposes unnecessary requirements that make their product less competitive. In addition to the moratorium on applying the memo, Congress asked that it be reviewed and possibly revised.

The latest proposal for FY 2016 would place significant restrictions on Reclamation’s funding unless it “complies with congressional and statutory direction related to Technical Memorandum 8140-CC-2004-1 (“Corrosion Considerations for Buried Metallic Water Pipe”) and the associated pipeline reliability study. In effect, Congress is using its “power of the purse” to force Reclamation to ignore a memo based on sound technical and scientific data, as well as time-tested water resources engineering methodology and experience, to tilt the playing field in ductile iron pipe’s favor.



Click the image to view the letter.

ACPPA is a leading member of the 21st Century Pipe Coalition, an alliance of companies and associations formed to fight legislative language favorable to ductile iron pipe manufacturers. The letter’s signatories assert that if enacted, the provision “will hinder Reclamation’s ability to make critical operational decisions to supply and deliver water to Americans in the West.”

To weigh-in with your lawmaker about this critical issue, visit www.ACPPA-action.org.

2015 Canada Budget Reflects ACCPA Workforce, Infrastructure, Tax Priorities

The 2015 budget proposed by Prime Minister Stephen Harper's government on April 21 reflects many of the policy priorities concrete pressure pipe manufacturers have said matter most to the industry. Workforce development, infrastructure, and tax incentives to help manufacturers invest in new technology are all part of the government's policy blueprint for coming year.

Broadly speaking, [Economic Action Plan 2015](#) (EAP 2015) promises to balance the federal budget within the next year. The government has reduced Canada's budget deficit from \$55.6 billion half a decade ago to a projected surplus of \$1.4 billion for 2015-16, making the country's total government net debt burden the lowest of any Group of Seven country. At the same time, Prime Minister Harper has brought the federal tax burden to what the government says is the lowest level in 50 years.



Building Canada's technical workforce

The government clearly recognizes the skilled worker shortage is a problem for Canadian companies, noting in the budget that, "The job vacancy rate in the skilled trades has surpassed pre-recession levels and is currently above all occupations (4.9 percent in the skilled trades compared to 3.9 percent in all occupations in 2014)."

With that in mind, EAP 2015 includes several [workforce development initiatives](#), including:

- Supporting provinces and territories to facilitate the harmonization of apprenticeship training and certification requirements in targeted Red Seal trades (many [manufacturing-related jobs](#) are considered to be Red Seal).
- Making a one-time investment of \$65 million to business and industry associations to allow them to work with willing post-secondary institutions to better align curricula with the needs of employers.
- Expanding eligibility for the Low-and-Middle Income Canada Student Grants to short duration programs, helping ensure that more students can pursue short duration post-secondary programs that focus on practical skills and provide a quick transition from education to employment.

Infrastructure investment

Transportation infrastructure is a perennial challenge for Canada and increasing investment is a top ACCPA priority. The Federation of Canadian Municipalities has estimated Canada's municipal infrastructure at \$123 billion, which includes a \$31 billion deficit in water and wastewater infrastructure and a \$21.7 billion road and bridge investment shortfall. (More on Canada's infrastructure needs from Canada 2020 is [here](#).)

In recent years, the government has sought to address these challenges by providing \$33 billion through the 2007 Building Canada Plan and \$53 billion over ten years through the New Building Canada Plan, which was launched in 2014. EAP 2015 continues that commitment by providing roughly \$5.35 billion per year on average for provincial, territorial and municipal infrastructure under the New Building Canada Plan. (More detail about the infrastructure components of the budget and projected investment is [here](#).)

Important tax benefit for Canadian manufacturers

There's good news for Canadian pipe manufacturing companies in EAP 2015. The budget seeks to encourage [business investment](#) and [entrepreneurship](#) by, among other things, providing manufacturers with a 10-year accelerated capital cost allowance to encourage productivity-enhancing investment in machinery and equipment.

According to the [EAP 2015 explanatory document](#), the accelerated capital cost allowance would allow manufacturers to depreciate assets after 2015 and before 2026 at a rate of 50 percent on a declining-balance basis. The usual declining balance rate is 30 percent. The provision would apply to assets used in "the manufacturing or processing of goods for sale or lease". Eligible assets are those currently included in Class 29 of Schedule II to the Income Tax Regulations. These assets will be included in new CCA Class 53

From ACCPA's perspective, EAP 2015 is a step in the right direction. Prime Minister Harper and his team are to be commended for fulfilling their promise to bring Canada's budget back into balance and continuing to invest in infrastructure and the workforce while reducing the federal tax burden. We recognize that balancing the budget has forced the government to forego other pro-growth spending and tax policy initiatives that would reduce revenue.

In the weeks and months ahead, ACCPA will continue to work through the Canadian Chamber of Commerce and other channels to encourage the government to grow the technical workforce, further improve the tax code, and build better infrastructure to serve as the backbone of a competitive 21st century Canadian economy.

**Taxes Take Center Stage in Washington
ACPPA Weighs In**

As Americans were finalizing their tax returns, much of Washington was focused on tax reform. While "Tax Week" (as the week around April 15 is known in the nation's capital) is always a time for speeches and posturing about the problems with our tax system, this year's activities carried more significance because of mounting pressure for comprehensive tax reform.

Among other things, April 15 was the deadline set by Senate Finance Committee leadership to submit comments on how to improve the tax code. [ACCPA's submission](#) reflected the association's broader tax reform agenda that was approved by the Board during its fall meeting. The suggested reforms were directed to the Business Income Tax; the Community Development & Infrastructure; the International Tax; and the Savings & Investment Working Groups.

Since concrete pressure pipe manufacturers are detrimentally impacted by the inefficiencies and uncertainty created by the U.S. Internal Revenue Code's complexities, the association's overarching theme is the code should be made simpler and more consistent and designed to better incentivize capital investment.

The submission urged the Finance Committee to consider eight recommendations:

- Reduce the corporate tax rate to 25 percent.

- Generate new funding and financing for long-term infrastructure investment.
- Promote capital investment.
- Encourage manufacturing research and development.
- Encourage domestic production.
- Improve international tax rules.
- Allow current-year advertising-cost expensing.
- Maintain deductibility of local lobbying expenses.

The Senate Finance Committee established working groups to solicit ideas for creating a simpler, fairer and more efficient tax code and to examine policy trade-offs in the various areas. Each is tasked with issuing recommendations by the end of May.



Click the image to view the letter.

Highway Funding on Radar Screen in Busy Spring for Washington

As the May 30 expiration of the federal highway program's authorization authority draws nearer, road and bridge funding is getting more and more attention on Capitol Hill.

Obama administration proposes highway bill

The Obama administration has released details of [the GROW AMERICA Act 2.0](#), a six-year, \$478 billion surface transportation reauthorization proposal that would increase annual highway and transit investment by over \$21 billion annually. While most on Capitol Hill support long-term certainty and increased investment, identifying new revenue streams is proving to be politically difficult. Despite the business community's widespread support for a modest increase in the federal fuel tax, the administration proposes



to collect levies on corporate earnings that are currently parked overseas ("repatriation"), which divides industry and isn't currently considered a seriously proposal by key lawmakers.

To see how the president's plan could impact your state, visit: <http://www.dot.gov/grow-america/state-by-state>.

Renacci floating indexing plan

Rep. Jim Renacci (R-Ohio) has emerged as a leading figure in the effort to find an HTF revenue solution. He has been shopping a bipartisan plan that would index the gas tax for future inflation and create a commission to find a long-term funding plan that would receive up or down votes in the House and Senate. Significantly, Renacci is a Republican member of the House Ways & Means Committee, which has jurisdiction over tax issues. His seat on the committee means he's in a better position than other members of Congress to help move a bill like this forward.

Ryan, Shuster working on short-term HTF patch

House Ways & Means Committee Chairman Paul Ryan (R-Wisc.) announced that he and Transportation & Infrastructure Committee Chairman Bill Shuster (R-Pa.) are working on a short-term patch to pay for the

road program past the end of May. Ryan's comments to reporters left the door open to including a long-term highway fix in a business tax-reform package. However, given the slow pace of the legislative process, it's inconceivable that Congress could finish a text bill before the May 31 deadline, necessitating a short-term solution. Ryan also expressed his opposition to using a repatriation holiday (i.e., letting U.S. corporations bring money parked overseas back to the United States at lower tax rates) to pay for a highway bill.

House, Senate pass budget resolutions

Both the House and Senate passed separate versions of a budget resolution in what's being hailed as important win for House Speaker John Boehner and Senate Majority Leader Mitch McConnell. Although the resolution doesn't have the effect of law, if both the House and Senate ultimately pass the same version, it binds lawmakers by creating procedural hurdles for bills that contravene what is in the resolution and gives preferential treatment to bills that implement aspects of the spending plan. The bad news is that both the House and Senate budget resolutions would reduce annual highway spending to the level supportable by the gas tax and other user fee revenues, which mean an annual spending cut of around 30 percent. However, the resolutions would also allow for a "reserve fund" to spend more on highways, bridges and transit if lawmakers can find a new, deficit-neutral funding source. Prior to passing the resolution last week, the Senate adopted an amendment offered by McConnell that would restrict the Environment Protection Agency's (EPA) authority to withhold highway funds from states that refused to submit state implementation plans for EPA's greenhouse gas rules.

How bad are your state's roads?

On April 1, the national transportation research group [TRIP](#) updated its [national and state fact sheets](#) to reflect the latest data available on the impact of U.S. transportation investment. Nineteen percent of America's major roads are in poor condition. Those substandard thoroughfares cost U.S. motorists \$109 billion a year in extra vehicle repairs and operating costs. In essence, Congress is costing each motorist \$516 a year by not moving to fix the federal highway program. To compensate for this deterioration, annual investment in the nation's roads, highways and bridges needs to increase 36 percent to \$120 billion. Overall, the current nationwide backlog in needed improvements is \$740 billion.



Pressure Pipe Post

ACPPA's Monthly Source for Industry News

April 2015

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

Cement

Hydraulic Fracturing: A Boom or a Bust?

4/23/2015 <http://geography.about.com/od/globalproblemsandissues/fl/Hydraulic-Fracturing-A-Boom-or-a-Bust.htm>

Hydraulic Fracturing, or "fracking," is the process of drilling into the Earth to release natural gas from shale formations.

Bakken basics

4/11/2015 <http://www.minotdailynews.com/page/content.detail/id/619982/Bakken-basics.html>

North Dakota is quite young in developing the Bakken and has a long way to go, says Kathy Neset, president of Neset Consulting in Tioga.

Cement Spill in Oakland Hills Creek Worse Than Previously Thought

4/10/2015 <http://sanfrancisco.cbslocal.com/2015/04/10/cement-spill-in-oakland-hills-creek-worse-than-previously-thought/>

There's good news and bad in Oakland, where crews are still working to rid a creek of 12 truckloads of cement spilled by an East Bay Municipal Utility District contractor earlier this week.

Concrete Pressure Pipe

Powerful crawler excavator gets job done on Des Moines sewer project

4/13/2015 <http://americacityandcounty.com/products-work/powerful-crawler-excavator-gets-job-done-des-moines-sewer-project>

The Doosan Model DX225LC helped in the installation of the storm sewer portion of a major Des Moines, Iowa, infrastructure improvement effort.

Water & Underground Infrastructure

Mercury News editorial: Suspend CEQA for water recycling in San Jose and Silicon Valley

4/28/2015 http://www.mercurynews.com/opinion/ci_28006480/mercury-news-editorial-suspend-ceqa-water-recycling-san

San Jose and Santa Clara pay a fortune to purify wastewater -- really purify it -- and then spill most of it away.

Olney Approves Water Reuse Project

4/27/2015 <http://www.newschannel6now.com/story/28913548/olney-approves-water-reuse-project>

Olney city leaders unanimously approved a water reuse project tonight. With the city under drought restrictions, city leaders say they needed to find a long-term solution.

Sewer work limits access to residential roads

4/27/2015 <http://www.myajc.com/news/news/local/sewer-work-limits-access-to-residential-roads/nk4St/>

The city of Atlanta has announced that sewer work will continue along a portion of Rivermeade Way and Nancy Creek Road through May 22.

Letter: Why not scrap water pipe, build new facility?

4/24/2015 http://www.mdjonline.com/view/full_story/26598291/article-Why-not-scrap-water-pipe--build-new-facility-

The two-year \$50 million-plus water main replacement project down Lower Roswell Road under Terrell Mill Road to Cobb Parkway seems like a slow moving train wreck waiting to happen. You just have time to get out of the way.

April is National Safe Digging Month

4/23/2015 <http://www.undergroundconstructionmagazine.com/april-national-safe-digging-month>

An underground pipeline or utility line is damaged by a digging project once every six minutes in the United States.

Connecticut 'Call Before You Dig' program puts safety first

4/17/2015 <http://www.nhregister.com/general-news/20150417/connecticut-call-before-you-dig-program-puts-safety-first>

Anyone doubting the value of the state's Call Before You Dig program needs to hear a story that Lou DiMarzo, a facilities inspector with Southern Connecticut Gas, likes to tell about how one of the utility's distribution lines got punctured a few years back.

Village hopes to save \$1M on sewer project

4/16/2015 <http://www.lakeplacidnews.com/page/content.detail/id/523243/Village-hopes-to-save--1M-on-sewer-project.html>

This village's treasurer has submitted a hardship application through the New York State Environmental Facilities Corporation in hopes it will save taxpayers \$1 million in interest associated with the cost of a recent sewer project.

Letter: Rover pipeline means jobs in construction

4/15/2015 http://www.sent-trib.com/opinion/letters/rover-pipeline-means-jobs-in-construction/article_6a175d88-e388-11e4-9597-eb67f1048d56.html

When most people think about natural gas construction, images of pipe welders, machine operators, and truck drivers come to mind. But one of the most important workers is the general construction craft laborer.

Water main break creates headaches in Concord

4/14/2015 <http://www.unionleader.com/article/20150414/NEWS07/150419628/1003/sports>

A water main break on North Main Street closed a major road in the city this morning and cut water to thousands of homes and businesses.

This is Not a Post-Apocalyptic Bunker, Just the World's Largest Underground Flood Diversion Facility

4/12/2015 <http://www.techeblog.com/index.php/tech-gadget/this-is-not-a-post-apocalyptic-bunker-just-the-world-s-largest-underground-flood-diversion-facility>

It may look like a post-apocalyptic bunker, but this is actually the Metropolitan Area Outer Underground Discharge Channel, an underground water infrastructure project in Kasukabe, Saitama, Japan.

San Francisco plan would require new buildings to recycle water

4/7/2015 <http://abc7news.com/politics/sf-plan-would-require-new-buildings-to-recycle-water/638982/>

The rain on Tuesday, unfortunately, is not going to do much to quench California's historic drought. In San Francisco, one supervisor is looking toward a long-term solution with a new proposal that would change the way major developments use water.

Emergency water main repair clogs Indian Rocks Road

4/2/2015 <http://www.tampabay.com/news/emergency-water-main-repair-clogs-indian-rocks-road/2223863>

This is an emergency water main repair and pipe replacement with related construction that requires the closing of Indian Rocks Road from Roebling Road N to Woodlawn Avenue.

The Deep, Dangerous Problems Of America's Aging Gas Infrastructure

4/1/2015 <http://www.fastcoexist.com/3044495/the-deep-dangerous-problems-of-americas-aging-gas-infrastructure>

While it's still not known what caused the gas explosion and building collapse tragedy that killed two people in New York City last week—the mayor has said the building owner might have been "inappropriately" tapping the gas line—what is clear is that one of the nation's oldest cities has a problem with its aging gas infrastructure, both inside and outside of buildings.

China to unveil measures to fight water pollution

4/1/2015 <http://townhall.com/news/politics-elections/2015/04/01/china-to-unveil-measures-to-fight-water-pollution-n1979356>

China is to launch an action plan to protect the quality of its scarce water resources after years of rapid economic growth that have left much of its water supply too polluted for human consumption or for growing food.

Fly Ash

Coal ash recycling company successfully repurposes pond ash

4/24/2015 <http://www.power-eng.com/articles/2015/04/coal-ash-recycling-company-successfully-repurposes-pond-ash.html>

The SEFA Group Inc. recently opened a stand-alone Staged Turbulent Air Reactor (STAR) facility in Georgetown, S.C., at the Santee Cooper Winyah Generation Station. The facility will remove coal ash from ponds surrounding the station, which represents the first time ponded material has been reclaimed to make a high specification grade fly ash for use as a concrete additive.

Dominion to close all coal ash ponds in Virginia

4/22/2015 <http://www.pennenergy.com/articles/pennenergy/2015/04/coal-news-dominion-to-close-all-coal-ash-ponds-in-virginia.html>

Dominion Virginia Power will close all of the ash ponds at its Virginia power stations in compliance with standards established by the Virginia Department of Environmental Quality (DEQ) and the Environmental Protection Agency's (EPA) Coal Combustion Residuals rules.

Fly Ash a Must Use for Construction Activities MoEF

4/19/2015 <http://www.utilityproducts.com/news/2015/04/19/fly-ash-a-must-use-for-construction-activities-moef.html>

With concerns being raised over the large amount of fly ash generated from thermal power plants, the Union Ministry of Environment and Forests (MoEF) has decided to make its usage mandatory in construction activities being carried out in hotspots across the country. To ensure this, the ministry is proposing it to be included in the municipal laws as well.

What Is Coal Ash?

4/4/2015 <http://environment.about.com/od/pollution/fl/Chemical-Spills-What-is-Coal-Ash.htm>

In December 2008 in Harriman, Tennessee, a dam next to a coal plant broke, releasing about 1 billion gallons of industrial waste into the Clinch and Emory Rivers and damaging homes. It was the largest toxic spill in United States history. What was in the 84-acre holding pond? Coal ash produced at the Tennessee Valley Authority owned coal plant.

REGULATORY RESULTS

Cement

Department of the Interior | Proposed Rule | Oil and Gas and Sulphur Operations in the Outer Continental Shelf—Blowout Preventer Systems and Well Control

4/17/2015 <http://www.gpo.gov/fdsys/pkg/FR-2015-04-17/pdf/2015-08587.pdf>

The Bureau of Safety and Environmental Enforcement (BSEE) proposes new regulations in order to consolidate equipment and operational requirements that are common to other subparts pertaining to offshore oil and gas drilling, completions, workovers, and decommissioning.

Coal Ash

Environmental Protection Agency | Final Rule | Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals From Electric Utilities

4/17/2015 <http://www.gpo.gov/fdsys/pkg/FR-2015-04-17/pdf/2015-00257.pdf>

The Environmental Protection Agency (EPA or the Agency) is publishing a final rule to regulate the disposal of coal combustion residuals (CCR) as solid waste under subtitle D of the Resource Conservation and Recovery Act (RCRA).

Pressure Pipe

Department of Commerce | Notice | Commencement of Compliance Proceedings Pursuant to Section 129 of the Uruguay Round Agreements Act

4/27/2015 <http://www.gpo.gov/fdsys/pkg/FR-2015-04-27/pdf/2015-09736.pdf>

Pursuant to Section 129 of the Uruguay Round Agreements Act (URAA), 19 U.S.C. 3538, the Department of Commerce (Department), is commencing 15 separate proceedings to gather information, analyze record evidence, and consider the determinations which would be necessary to bring its measures into conformity with the recommendations and rulings of the Dispute Settlement Body (DSB) of the World Trade Organization (WTO).

Water Infrastructure

Department of Transportation | Special Notice, Correction | Notice of Funding Availability for the Department of Transportation's National Infrastructure Investments Under the Consolidated and Further Continuing Appropriations Act, 2015

4/3/2015 <http://www.gpo.gov/fdsys/pkg/FR-2015-04-03/pdf/2015-07711.pdf>

The Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113–235, December 16, 2014) (“FY 2015 Appropriations Act” or the “Act”) appropriated \$500 million to be awarded by the Department of Transportation (“DOT” or the “Department”) for National Infrastructure Investments.

LEGISLATIVE RESULTS

Water Infrastructure

H.R. 1710 | Introduced by Rep. Jerry McNerny (D-Calif.) | Drought Resilience Investment Act of 2015

3/27/2015 <https://www.congress.gov/bill/114th-congress/house-bill/1710?q=%7B%22search%22%3A%5B%22%5C%22Water+Infrastructure%5C%22%22%5D%7D>

To amend the Water Resources Reform and Development Act of 2014 to provide additional financing options for water infrastructure projects carried out in States in which the Governor of the State has issued a state of drought emergency declaration, and for other purposes.