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Trump Election Creates Enormous Opportunities (and a Few Risks)

What Donald Trump achieved on election day was both unexpected and historic. Despite unprecedented fragmentation and disunity in the Republican Party, Trump excited the base and turned out the vote. Not only did he get himself elected, but the excitement he generated drove Republican turnout across the country, helping to protect vulnerable seats and keeping the House and Senate in GOP hands.

In the wake of victory, most Republicans who abandoned Trump on the campaign trail seemed happy to fall back in line and bask in the glory. Democrats, who had bought into the conventional wisdom that they would win the presidency, Senate and perhaps even the House (always a long shot), were left with jaws agape and heads shaking.

The election results create enormous opportunity for the pipe industry. Seen at his best, Trump is a successful, entrepreneurially-minded, free market capitalist with broad business experience and a track-record of success in a range of projects. His election means tax reform, infrastructure investment and the rollback of regulations imposed by an unaccountable bureaucracy are within closer reach. Trump has the opportunity to shatter the conventional wisdom about policymaking just as he did about electoral politics.

But there is risk as well. Trump has no track record in elected office, an unpredictable temperament and seemingly little knowledge – or interest – about policy details. While that means he’ll likely defer heavily to his deputies, it also creates uncertainty about how he’ll conduct himself both on the domestic political front and on the world stage. That uncertainty could mean economic volatility.

Another major risk is trade. Trump tapped into sentiment among voters in both parties opposed to globalization and pledged to pursue more protectionist policies which could hurt trade and undermine economic growth. If it wants to protect trade deals, the business community will have to do a much

Analysis on Demand: What Happened in the Voting Booth?

Election 2016 came to a surprising end. Whether they were jubilant or devastated on Nov. 8, many Americans are moving on from a contentious and divisive campaign. Now that the votes have been cast and [mostly] counted – across every race, not just for the White House – regulated businesses have to plan to work with the new administration and the 115th Congress.

This session provides some cool-headed analysis of the 2016 presidential and congressional elections. It reviews what happened, what the results mean for transportation and infrastructure policy and what is next.


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better job of explaining the long-term economic benefits to voters who launched Trump to power.

**The Political Big Picture**

Although Republicans have slightly-reduced majorities on Capitol Hill, they’re still squarely in control. The GOP will control at least 51 Senate seats in the 115th Congress (down from 54 in the 114th) and may pick up one more depending on the outcome of the Louisiana runoff election on Dec. 10. In the House, the Republican majority was cut slightly from 246 seats to 239. That still gives Republicans a comfortable 21-seat cushion above the 218 votes needed to pass legislation.

The only defensive line left to Democrats in the policy process is the Senate filibuster. The GOP will be at least eight votes shy of the 60 needed to shut off debate. Getting key elements of the Trump agenda through will require using arcane budget rules (e.g., reconciliation) to pass legislation with a simple majority or convince/coopt/persuade/bludgeon enough Democrats to cross party lines and vote for popular policy positions.

The dynamics of the now-looming 2018 congressional elections make such “crossing” a reasonable possibility. In two years, Democrats will be defending 25 Senate seats (if you include the two independents who caucus with Democrats) and the Republicans only eight. Nine Democratic senators will face reelection in states that Trump won. Five of those are from the heavily Republican states of Indiana, Missouri, Montana, North Dakota, and West Virginia, all of which Trump won handily. Five others are from the major swing states of Florida, Ohio, Pennsylvania, Virginia and Wisconsin, all but one of which went for Trump.

Those vulnerable Democrats will come under enormous pressure from voters back home to work with Trump and the GOP majorities. But if they do, they may also find themselves subject to challenges from the far-left wing of the party, which will likely be invigorated in the wake of the 2016 elections.

With that background on the political landscape, here’s what’s ahead in key policy areas:

**Infrastructure**

- Trump made infrastructure a big part of his platform and frequently drew the connection between federally-funded construction and job creation.
- His transition website continues that theme: “the Trump Administration seeks to invest $550 billion to ensure we can export our goods and move our people faster and safer. We will harness technology and make smarter decisions on how we build and utilize our infrastructure. Our roads, bridges, airports, transit systems and ports will be the envy of the world and enhance the lives of all Americans. We will build the roads, highways, bridges, tunnels, airports and railways of tomorrow.”
- Response from Democrats to the infrastructure initiative is generally positive. House Democratic Leader Nancy Pelosi (Calif.): “As President-Elect Trump indicated … investing in infrastructure is an important priority of his. We can work together to quickly pass a robust infrastructure jobs bill.”
- Ironically, the most opposition to transportation investment may come from Trump’s fellow Republicans. Senate Majority Leader Mitch McConnell (R-Ky.) has said it is not a priority. The Heritage Foundation and other conservative groups have been outright critical. It will be incumbent on the business community to make the case the infrastructure construction isn’t stimulus; it’s about investing for the long-term in the backbone of the economy.
What form Trump’s infrastructure investment will take and how it will be funded is unclear. While industry has long advocated for user fee increases, House Republicans have generally dismissed the idea of a gas tax increase. Some senior House leaders have hinted at support for a vehicle miles traveled (VMT) tax, which would likely happen only as part of broader tax reform (see below).

Members of Trump’s transition team are known to be proponents of public-private partnerships, which create revenue streams for private sector firms that front the costs for infrastructure improvements. It’s a good bet that bonding, tax credits and other tools to attract more private investment will form a big part of the Trump proposal.

The leadership of the House Transportation & Infrastructure Committee will remain unchanged. Chairman Bill Shuster (R-Penn.) will return for a final two-years as chairman and Rep. Peter DeFazio (D-Ore.) will again be the Committee’s ranking Democrat. Because Shuster is term limited out of the position at the end of 2018, the race for the Committee’s next chairman will be part of the drama surrounding transportation policy over the next two-years.

Bigger changes are afoot at the Senate Environment & Public Works (EPW) Committee. EPW Chairman Jim Inhofe (R-Okla.) will be stepping down because he is term limited and Ranking Member Barbara Boxer (D-Calif.) is retiring. Conservative Inhofe and liberal Boxer have been an unlikely “dynamic duo” when it comes to infrastructure initiatives in recent years and we’re certain to miss their bipartisan leadership. Sen. John Barrasso (R-Wyo.) is expect to take over the EPW gavel; however, who will ascend to become ranking member is less clear. Given that several of the senior Democrats on EPW are already ranking members on other prominent committees, Sen. Sheldon Whitehouse (D-R.I.) is the most likely candidate to be EPW’s next top Democrat.

Taxes

Trump’s election and the maintenance of the status quo in Congress make tax reform in 2017 much more likely. A once-in-a-generation tax and budget deal in the first half of next year is a real possibility.

From a personnel standpoint, nothing much changes on the tax policy front on Capitol Hill. Rep. Kevin Brady (R-Texas) is still Ways & Means chairman; Sen. Orrin Hatch (R-Utah) will still wield the Finance Committee gavel. While there was speculation that House Speaker Paul Ryan (R-Wis.), a major tax reform proponent, might be challenged for his leadership by party conservatives, for now at least, it looks like Ryan’s job is secure.

The starting point for the tax reform discussion is the GOP tax reform plan released last June. If you haven’t already, get to know it now because you’re going to be hearing a lot about it in the months ahead.

There’s a lot to like in the House GOP plan. Among its key components:
  - Creating a separate 25 percent tax rate for pass-through companies, lowering the U.S. corporate tax rate to 20 percent, shifting to “territorial” system to tax U.S. companies operating internationally.
  - 100 percent expensing for business assets.
  - Repealing the death tax.
  - Eliminating the alternative minimum tax.
  - Consolidating the individual system 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.
  - Streamlining the maze of education tax benefits.
o Cutting 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.

- However, there are red flags in the GOP plan as well. It would eliminate the business interest deduction, which would hit capital-intensive industries hard. In order to bring down the cost of broader rate reduction, many valuable other tax expenditures would almost certainly be in the crosshair. The plan is also silent on new revenues for infrastructure, which ACPPA and its allies have insisted should be part of any comprehensive tax reform bill.

**Career Technical Education and Workforce**

- Career technical education will be an issue in the next Congress as a matter of necessity. Rebuilding America’s infrastructure, as Trump says he wants to do, will require legions of skilled laborers to work directly on projects, operate and maintain machinery and support all the industries (e.g., engineering and materials) that feed into construction. Additionally, revitalizing the middle class requires preparing workers for the types jobs that exist in the 21st century U.S. economy.
- Trump said on the campaign trail that in his first 100 days he would pursue a School Choice and Education Opportunity Act that, among other things, “expands vocational and technical education, and make[s] 2 and 4-year college more affordable.” The Trump transition team website’s education page says the new administration “will advance policies to support learning-and-earning opportunities at the state and local levels – where the heart and soul of American education takes place,” but provides no more specifics. This suggests an important opportunity for the business community to provide input and guide policy in this area.
- It’s also a certainty that Congress and the Trump administration will seek to rollback recent workforce and labor changes imposed by the Obama administration (see below for an update on DOL overtime rules).
- Rep. Virginia Foxx (R-N.C.) is the leading candidate to be the next chairman of the House Education & Workforce Committee. With a doctorate in education and a stint as a community college president, she’s is uniquely prepared to take on the skilled worker shortage.
- There’s still a chance (however slim) that Congress could send President Obama a bipartisan Perkins Act reauthorization bill like the one recently passed by the House during the lame duck session. What happens in the next Congress depends partially on what happens this year.

**Regulatory**

- Republicans have roundly criticized the Obama administration for its aggressive regulatory agenda. Gridlock on Capitol Hill has made it difficult for Congress to impose discipline and reign in the executive branch. The courts have generally given enormous deference and stayed out of policy decisions.
- Trump pledged to institute “a requirement that for every new federal regulation, two existing regulations must be eliminated.” He also said that on his first day in office he would impose a hiring freeze on all federal employees to reduce federal workforce through attrition (exempting military, public safety and public health).
- How the hiring freeze will play out, is unclear. Broadly-defined, most federal agencies (including ones like EPA and OSHA that are perennial targets for Republicans) serve a public health or safety function. It would be an odd result if Trump reduced agencies like the Federal Highway
Administration, which will play a pivotal role in any new infrastructure program, while allowing OSHA and EPA to continue to grow.

- While we’re anxious at the opportunity to roll back some of the Obama administration’s worst regulations, wise industries will also be capitalizing on the opportunity to suggest improvements to regulatory regimes that are here to stay.

**Trade**

- From an economic standpoint, perhaps the most troubling part of President-Elect Trump’s first 100-day agenda is what it might mean for trade. Breaking with decades of Republican Party orthodoxy in support of free trade, he’s pledged to renegotiate or withdraw from NAFTA, withdraw from the Trans-Pacific Partnership and label China a currency manipulator, which could trigger a broader trade dispute.
- He’s also said he’ll “seek tariffs to discourage companies from laying off their workers in order to relocate to other countries and ship their products back to the U.S. tax free.” Exactly how those tariffs would work is unclear, but they could make it harder for U.S. companies operating internationally to lower costs by shifting activities from country to country.
- Trump has called the Export-Import Bank, which has been used by dealers and manufacturers to export equipment, “feather bedding,” that it only benefits politicians and a few companies, and that it’s “really not free enterprise.”
- If the business community wants protect recent policy victories on the trade front, it is imperative that companies and associations do a much better job articulating how Americans have broadly benefited from free trade and pursue more effective programs to help those who have lost jobs as a result gain new skills and transition to better-paying positions.
- Other “protectionist” measures, such as Buy American policies, will likely be looked at more favorably by Trump’s team than any Republican administration in recent memory.

There’s no doubt that 2017 will be a busy year in Washington, D.C. The association looks forward to connecting with government leaders – old and new – to develop policies that enhance market opportunities while reducing the costs of doing business.

**Judge Halts New Overtime Rules**

On Nov. 22, a federal judge in Texas issued a preliminary injunction blocking implementation of the Obama administration’s controversial overtime rules, which would have imposed a significant burden on commercial enterprise, particularly small businesses. The court determined the Department of Labor (DOL) exceeded its authority in the final regulation.

The onerous requirements were set to take effect on Dec. 1 and would have doubled the Fair Labor Standards Act’s (FLSA’s) salary threshold for overtime pay exemption.

Under existing regulations, employees earning an annual salary in excess of $23,660, and who perform qualified administrative, managerial or professional duties, are not entitled to overtime compensation. The new regulation would have required salaried workers earning less than $47,476 to receive additional pay if they work more than 40 hours in a week. In addition, the salary threshold would automatically update every
three years to match the 40th percentile of full-time salaried employees in the lowest-wage census region in the U.S.

On Sept. 28, the House approved the Regulatory Relief for Small Businesses, Schools & Nonprofits Act (H.R. 6094), which would have delayed the rules effective date for six months. The bipartisan legislation wasn’t taken up by the Senate and likely won’t see further action this Congress given the court’s decision. With the Obama administration winding down, the rules’ future is in jeopardy as President-Elect Trump’s support is unlikely and further court proceedings are months away.

While the ruling brings welcome relief, it does not eliminate all uncertainty for businesses, particularly those employers who had already planned to comply with the mandate only to have it reversed in the final two weeks before implementation.
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

Residents Question Sussex Borough Water Quality
Sussex Borough resident inquired about the measures that are being taken to improve the quality of the borough’s water.

Opponents of Rehoboth Ocean Outfall Speak Out
In what could be their last chance to convince officials to reject an ocean outfall near Rehoboth Beach, opponents of the proposed $52.5 million project asked Delaware Department of Natural Resources and Environmental Control to reject the city’s requests for environmental permits.

Despite Flint, State Infrastructure Fixes Inch Ahead
The lead-laced drinking water that led to tragic consequences in Flint was supposed to serve as a wake-up call for Michigan and the nation, a warning that our neglected, aging infrastructure could not only result in dramatic interruptions in basic municipal services, but might prove hazardous or deadly for residents.

Coal Ash/Fly Ash

Duke Energy Gives up on Beckjord
During their meeting on Nov. 16, the Clermont County Commissioners received a brief update from Duke Energy officials about the company’s plans to decommission its W.C. Beckjord Station, located in Pierce Township and in the village of New Richmond.
Concrete End Uses Help Propel Coal Ash Recycling to Record Level
“We are pleased to report that 52 percent of coal combustion products were beneficially used in 2015—up from the previous year’s record of 48 percent. For the first time, we are using more of these valuable resources than we are throwing away,” reports American Coal Ash Association Executive Director Tom Adams, taking stock of the central metric in the group’s latest “Production and Use Survey.”

Innovations in Waste-to-Energy Ash Management
In Fiscal Year (FY) 2015, the SWANA Applied Research Foundation’s (ARF) Waste-to-Energy (WTE) Group identified the topic of researching innovations in WTE ash management. In particular, two innovations were of interest to the group.

Mass Concrete for Buildings
11/17/2016  http://www.concreteconstruction.net/how-to/construction/mass-concrete-for-buildings_o
Concrete buildings continue to increase in complexity, size, and required compressive strength. As a result, engineers, contractors, and ready-mix suppliers are faced with new challenges.

Is There Really Such a Thing as Clean Coal?
11/17/2016  http://trueviralnews.com/is-there-really-such-a-thing-as-clean-coal/
The phrase “clean coal” snuck into our national climate conversation quite a while ago. Presidents Bush and Obama have both championed it, and in the second 2016 Presidential debate, Donald Trump claimed it could help address the climate change he doesn’t believe exists. That’s okay, because, neither does clean coal.

Coal Ash to Building Materials Means Jobs
A new plant to be built in southern Illinois is expected to employ 100 workers to turn coal ash into building materials. The company plans to build the plant at the Baldwin Energy Complex in Baldwin, Illinois.

The Capability of Bulk Particulate Materials for Pneumatic Conveying
For research studies fly ash is an ideal material as it is readily available in a wide range of particle sizes. Significant differences have also been shown in terms of conveying capability for dilute phase conveying.

NRMCA Updates Environmental Impacts of Concrete
The National Ready Mix Concrete Association has updated its industry average environmental impacts for concrete. The aim is to provide product transparency within green building standards.
Fly Ash Scarcity Leads to Alternative Construction Materials
As a solution to product shortage, a replacement for fly ash was recently demonstrated at a quarry outing that brought scholars, engineers, and people in the ready-mix concrete business to Corona from as far away as Greece.

Jacksonville Residents Oppose Concrete Crushing Facility Expansion
11/02/2016  http://www.cdrecycler.com/article/jacksonville-residents-oppose-expansion/
Residents of a North Jacksonville, Florida, neighborhood are contesting a proposal for expansion of a nearby concrete recycling plant, a report by First Coast News says. The facility, Florida Roads, wants to increase its tonnage.

Infrastructure Investment

15,000 Jobs Flow From Water Pipe Project
11/22/2016  http://world.einnews.com/article/355098756/live
WORK has started flowing on a $6.5 million water pipeline that will help bring online a massive new industrial area proposed for the Scenic Rim, west of the Gold Coast.

Facing Staggering Clean Water Repair Costs, Unlikely Coalition Calls for $800 Million in State Public Works Grants and Assistance
Joining an unlikely coalition of construction executives, union officials and conservationists, a group of local municipal officials and state lawmakers gathered at Hommocks Conservation area in Mamaroneck to focus attention on the critically needed clean water infrastructure projects in Mamaroneck, New Rochelle and surrounding communities.

NDOT’s SR 28 Road Improvement Construction Season Complete; Two More Ahead
Nevada Department of Transportation’s State Route 28 Shared Use Path and Safety/Stormwater Enhancement project’s initial construction season has concluded. There will be construction over the next two years to complete the three-plus mile shared-use path from the south end of Incline Village to Sand Harbor State Park.

San Juan Water Commissioners Pony up $20,000 to Study Pipeline from Lake Nighthorse
The pipeline could supply the water commission’s share of water from the Animas-La Plata project - a water storage project that led to the creation of Lake Nighthorse south of Durango, CO.
Investments of $6.39 Billion for the Three-Year Capital Works Program 2017-2019

The Three-Year Capital Works program is composed of investment programs and projects that the city of Montréal intends to undertake or achieve for 2017-2019.

Water and Wastewater Infrastructure

Stretching Resources and Cutting SSOs

In the late 1980s, New Castle County, Delaware, moved away from a reactive approach to its sewer maintenance. But it took another two decades, as well as a mandate from the EPA and state regulators to rehab the oldest portion of the collections system to combat chronic SSOs, before those efforts really took off.

Spring Valley to Save 10 million Gallons of Water a Year

A project to replace part of the aging and leak-prone Spring Valley water system is underway and could save up to 10 million gallons of water a year, not an insignificant number considering that the state and county are in the fifth year of a drought.

DOE Laboratory Water Patents with a High Potential for Commercialization by the Private Sector

Through the development of various advanced treatment techniques, such as using naturally occurring microalgae to detect the presence of toxic substances, DOE labs are working to ensure the quality of water for use in a multitude of ways.

Red Tape Reduction Initiative on PVC Pipe Reg Advances

The Administrative Regulation Review Subcommittee of the Kentucky General Assembly unanimously approved amending current regulations restricting the use of polymerized vinyl chloride or PVC piping in structures greater than 45 feet in height. This amended regulation will now allow PVC pipe in all structures with no height limitation.

One of Nation’s Largest Water Utilities Moving to Zinc-Coated, V-Bio Wrapped Ductile Iron Pipe

Washington Suburban Sanitary Commission (WSSC) recently updated its specifications so that all ductile iron pipe installed in its system is zinc-coated and uses V-Bio enhanced polyethylene encasement.
UA Corrosion Research Leads to Metals-Extraction Invention
11/05/2016  http://tucson.com/business/tucson/ua-corrosion-research-leads-to-metals-extraction-invention/article_a347c2b0-50c4-569d-89f2-331e0987afc6.html
Giving birth to invention out of necessity, a group of UA scientists found a new way to combat industrial corrosion — and a new, cleaner method of metals extraction for the mining industry in the bargain.

Utility Company Uses RFID to Identify Underground Pipes, Wires
Seattle-based underground utility maintenance and inspection company Bravo Environmental is burying a radio frequency identification tag at each location it accesses underground, in order to create an automatic record of what occurred, as well as where and when, and to enable personnel and customers to locate a particular pipe, conduit or other underground equipment after it is covered.

Buckle Up Bloomingdale- “DC Water Will Replace Close to a Mile of 8-inch and 12-inch Water Mains”
DC Water began work to replace old water mains in the Bloomingdale neighborhood in Northwest, DC. In addition to improving system reliability, the replacement program will also provide increased water pressure and unimpeded water flows.

Wondering How Long Plastic Pipe Lasts in Pressurized Applications?
Engineers tasked with developing specifications for potable water pipelines and pressurized sewer mains should check out this Plastics Pipe Institute resource. Requesting a long-term strength recommendation is now simpler.

Atlanta Watershed Management Announces Stormwater Repair Projects
The city of Atlanta’s Department of Watershed Management will move forward with eight projects underway as part of its stormwater repair and rehabilitation program based on flooding concerns and safety issues.

This City that Water Built
11/02/2016  http://eureka.news/this-city-that-water-built/
Leaking and broken water and sewer mains and pipes, the underfunded sewer plant costs, and degrading services are escalating future costs and causing a downward financial and environmental spiral.
REGULATORY RESULTS

Cement

The Environmental Protection Agency (EPA) is revising portions of the Arizona Regional Haze Federal Implementation Plan (2014 FIP) applicable to the Phoenix Cement Company (PCC) Clarkdale Plant and the CalPortland Cement (CPC) Rillito Plant.

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Coal/Fly Ash


Water and Wastewater Infrastructure

On September 14, 2015, the Environmental Protection Agency (EPA) proposed revisions to the federal Clean Water Act (CWA) human health criteria applicable to waters under the State of Washington’s jurisdiction to ensure that the criteria are set at levels that will adequately protect Washington residents, including tribes with treaty-reserved rights, from exposure to toxic pollutants.

The U.S. Environmental Protection Agency (EPA) is publishing a final list of contaminants that are currently not subject to any proposed or promulgated national primary drinking water regulation.
Environmental Protection Agency | Notice | Addition of Nonylphenol Ethoxylates Category; Community Right-To-Know Toxic Chemical Release Reporting  
EPA is proposing to add a nonylphenol ethoxylates (NPEs) category to the list of toxic chemicals subject to reporting under section 313 of the Emergency Planning and Community Right-to-Know Act (EPCRA) and section 6607 of the Pollution Prevention Act (PPA).

National Oceanic and Atmospheric Administration | Notice | Takes of Marine Mammals Incidental to Specified Activities; Taking Marine Mammals Incidental to a Dock Replacement Project in Unalaska, Alaska  
NMFS has received a request from the City of Unalaska (COU), for authorization to take marine mammals incidental to construction activities as part of a dock expansion project at the existing Unalaska Marine Center (UMC) Dock in Unalaska, Alaska.

Water Supply

Environmental Protection Agency | Notice | Proposed Flood Hazard Determinations  
Comments are requested on proposed flood hazard determinations, which may include additions or modifications of any Base Flood Elevation (BFE), base flood depth, Special Flood Hazard Area (SFHA) boundary or zone designation, or regulatory floodway on the Flood Insurance Rate Maps (FIRMs), and where applicable, in the supporting Flood Insurance Study (FIS) reports.

Environmental Protection Agency | Notice | Notice of Approval of the Primacy Revision Application for the Public Water Supply Supervision Program from the State of Missouri  
The Environmental Protection Agency (EPA) is hereby giving notice that the State of Missouri is revising its approved Public Water Supply Supervision Program delegated to the Missouri Department of Natural Resources.