ACPPA Joins Fight for Level Playing Field

This month ACPPA formally joined with organizations representing steel and plastic pipe manufacturers to form the “21st Century Pipe Coalition” and urge Congress to restore a level playing field for pipe products used in Bureau of Reclamation (Reclamation) projects.

In recent years, Congress has included language in annual appropriations bills that benefits ductile iron pipe by subverting Reclamation’s judgment on corrosion prevention. Most recently, Section 203 of the omnibus appropriations bill adopted this past January prevents 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 the memo, Congress has answered ductile iron pipe manufacturer concerns by asking the memo be reviewed and possibly revised.

However, ACPPA and its allies argue that Reclamation’s memo is based on sound technical and scientific data, as well as time-tested water resources engineering methodology and experience. “By utilizing science-based metrics, Reclamation ensures a fair and competitive process for companies bidding on federal water projects. We are concerned that Section 203 would undermine these data driven guidelines … [and] that the language expressed in Section 203 could skew an open and competitive bidding process that takes the life-cycle of materials and the corrosive nature of soils into consideration,” the coalition said in a letter to Congress.

The coalition is working to educate lawmakers about the real-world impact of the appropriations language and urging that provisions like Section 203 not be included in future bills. Stay tuned for more as the FY 2015 reauthorization process continues to play out.
Mixing It Up with One of ACPPA’s Washington Allies

Actionline recently say down with Elizabeth Fox, senior director of government affairs at the National Ready Mixed Concrete Association (NRMCA), whose members represent an integral part of the American construction supply chain. ACPPA and NRMCA are both members of the North American Concrete Alliance (NACA).

Actionline: First of all, let’s introduce Actionline readers to NRMCA. What types of companies does the association represent?

EF: NRMCA was founded on Dec. 26, 1930, and today represents more than 1,650 companies and subsidiaries that employ more than 125,000 American workers who manufacture and deliver ready mixed concrete, as well as companies that provide goods and services to the ready mixed concrete industry. The Association represents both national and multinational companies that operate in every congressional district in the United States. The industry currently includes approximately 68,500 ready mixed concrete trucks and more than 5,000 ready mixed concrete plants. Seventy-five percent of our members are small businesses.

The ready mixed concrete industry manufactures a construction material vital for constructing our built environment. From roads and bridges, to homes and high-rises, our built environment could not be realized without the use of ready mixed concrete. This important building material is created by combining fine and coarse aggregates, cement and water. In 2013 alone, the industry produced more than 300 million cubic yards of ready mixed concrete, representing a value of roughly $30 billion. Virtually every construction project in America uses at least some ready mixed concrete.

Actionline: The concrete industry has been bombarded this year with new proposals from the Environmental Protection Agency (EPA), including increased emissions standards for coal power plants and a dramatic expansion in the Clean Water Act. What does NRMCA consider to be the biggest threat coming out of EPA?

EF: More new regulations! Our members work in an incredibly regulated industry already, and all of the new rules, no matter how well intentioned, result in more time and money spent trying to comply. Even rules that are likely to have little direct impact on our industry could cause disruptions to business. Increased regulations on the power industry increase the price of doing business and more regulations on development slow the start of new projects and make maintaining and repairing our nation’s infrastructure more difficult.

The Clean Water Act jurisdiction rule is particularly concerning because it has the potential to federalize a lot of land use decisions. This would require more federal involvement through permits and possibly citizen suits, which would dramatically slow down construction and development throughout the country. We know that the construction industry plays a tremendous role in promoting long-term economic growth and investments in our country’s future and construction was one of the hardest hit sectors of the economy
during the recession. Enacting new regulatory barriers in development is only going to slow the already sluggish recovery in this essential sector.

**Actionline:** In an effort to reign in the EPA, bills have been introduced in the House and Senate to prevent some of these rulemakings from moving forward. Can you discuss legislative efforts to combat EPA overregulation and assess the chance of any of these proposals actually making it to the president’s desk?

**EF:** Because EPA has proposed and finalized so many incredibly costly rules, Congress has proposed numerous pieces of legislation either attempting to stop EPA’s rules all together or roll them back a little. For example some bills, like those coming out of the House Transportation and Infrastructure Committee, have targeted specific rules and actions. But instead of just saying no, Congress is trying to ensure that EPA follows a more transparent and open process in moving forward.

A key component of the bipartisan and recently marked up Waters of the United States Regulatory Overreach Protection Act (H.R. 5078) was forcing EPA to complete a robust consultation with the states on the status of protected waters and reporting to Congress before moving forward with a rulemaking, which is sadly necessary since the agency failed to consult with states at all. (For more on EPA overreach, see the article “Congress Working to Undermine EPA Overreach” in this month’s Actionline.) Other bills like the ALERRT Act (H.R. 2804) and the Regulatory Flexibility Improvement Act (H.R. 2542) are designed to bring general transparency and regulatory relief throughout the government. These bills have passed the House, but are not being moved by the Senate. Without some changes in the Senate, I have a hard time seeing how the legislation moves forward.

However, even without becoming law, many of these bills do have an impact on the executive branch. Even if they don’t get President Obama’s signature, they may force the administration to slow down, pull back and re-examine what they are doing, which is valuable for everyone.

**Actionline:** NRMCA is actively leading a coalition of industry organizations supporting legislation encouraging resilient construction. What is resilient construction and what is the status of the legislative effort?

**EF:** Resilient construction is a term for construction methods and engineering techniques that allow a property to resist hazards brought on by a major disaster and continue to provide the primary functions of the property following the disaster. It also reduces the magnitude or duration of a disruptive event to a property, and creates buildings that have the absorptive capacity, adaptive capacity and recoverability to withstand a potentially disruptive event. Building more resilient structures saves lives and taxpayer dollars following natural disasters like tornadoes, hurricanes, wildfires, floods and earthquakes.

We have had huge success getting resilient construction into the Water Resource Development Act Reauthorization (P.L. 113-121). Clause 3022 directs the Secretary of the Army Corps of Engineers to encourage the use of resilient construction techniques when carrying out Corps projects and the law has direction in two different studies to consider the reduction in long-term costs and vulnerability to infrastructure through the use of resilient construction techniques.

In the House, Rep. Mario Diaz-Balart (R-Fla.) has introduced the Disaster Savings and Resilient Construction Act of 2013 (H.R. 2241). The bill would provide a tax credit to builders or homeowners rebuilding in Federally Declared Disaster Areas who build to the [Insurance Institute for Building Safety's](https://www.iihs.org)
FORTIFIED standard. Rebuilding stronger has long-term benefits. The Congressional Budget Office found that where federal dollars are spent on pre-disaster mitigation programs, “on average, future losses are reduced by about $3 for every $1 spent on those projects…” More about this bill and our efforts can be found here.

Actionline: As a long-time Senate staffer, you have a unique perspective on Congress. What realistically, if anything, can we expect lawmakers to accomplish for the remainder of the year?

EF: A midterm election year usually does not have particularly productive legislative sessions – so I would expect to see a concentration on less controversial appropriations bills, continuing resolutions and short-term fixes (like the Highway Trust Fund) to get the government operating until after the November elections.

That said, I remain very optimistic that there will be opportunities to get legislating done in the lame duck session following the elections. I had the opportunity to be involved in a few extremely productive lame-duck sessions of Congress, where smart, common-sense bipartisan bills were passed quickly before Congress left for the year. Hopefully, this lame-duck will be focused on passing bills that will focus on rebuilding America’s infrastructure.

For more about the cost of cost of overregulation, read Institute for Liberty President Andrew Langer’s piece “The Economics of Regulation Part II: Lost Opportunities” in this July Actionline.

ACPPA would like to thank Elizabeth Fox for taking the time to share her insights. To encourage your lawmakers to support the concrete industry’s policy priorities, be sure to visit www.ACPPA-action.org

Congress Moves Toward Building Technical Workforce

On July 22, President Obama signed the Workforce Innovation & Opportunity Act (WIOA) (H.R. 803) into law. The House and Senate had both quickly acted on the legislation, with each chamber passing WIOA by wide margins after years of inaction on federal support for training programs.

WIOA eliminates duplicative workforce programs, streamlines many of the burdensome requirements that hamstring existing outdated workforce systems and allows for increased incumbent worker training. Additionally, the legislation will provide greater flexibility to state, local and regional boards to tailor services to an area’s specific employment needs.

While modest in scope, the legislation takes important steps toward addressing worker shortages and ensuring the federal government is using limited resources to give future employees in-demand skills.

Lawmakers on Capitol Hill are shining a rare spotlight on a problem that has plagued industry for years: the technical worker shortage. Talent shortages are a reality for American businesses, making this bill particularly important for ACPPA and its members.

While the federal government should be doing more to address this economy-wide crisis, Congress has taken a step in the right direction by overhauling skilled-worker programs and updating the Workforce Investment Act (WIA), which was enacted in 1998.
“We’re glad Congress has finally woken up to what industry has known for years: There simply aren’t enough skilled workers to fill technical jobs,” said Christian Klein, ACPPA’s government affairs and legal counsel. “WIOA is a step in the right direction. Now it’s up to the government to implement the reforms and better match skills training with career opportunities.”

To view a summary of key provisions of WIOA visit: http://www.murray.senate.gov/public/_cache/files/1864afcb-c7e5-48a5-85e4-9e4904688e42/wioa-onepager.pdf

House Votes to Make Bonus Depreciation Permanent

On July 11, the House of Representatives took a step towards getting companies off the sidelines and back into the game of capital investment by approving legislation to permanently extend 50 percent bonus depreciation for new capital equipment purchases, 258-160.

The legislation (H.R. 4718), introduced by Rep. Pat Tiberi (R-Ohio), was endorsed by a wide cross section of industry groups, including ACPPA.

Since April, the Senate has been sitting on its own proposal addressing terminated tax “extenders.” The Expiring Provisions Improvement Reform and Efficiency (EXPIRE) Act (S. 2260) – which includes a two-year extension of 50 percent bonus depreciation. Given the political climate on Capitol Hill, the near-term future of any tax-related legislation is uncertain. Democrats continue to complain about both the price and also the lack of revenue offsets typically demanded by the GOP for other programs.

The most likely scenario is that Congress will pass a tax extenders package in the lame duck session after the 2014 elections. Word on the Hill is that 50 percent bonus depreciation will likely be reinstated for 2014, although the exact duration is uncertain. In the meantime, the work continues.

Congress Working to Undermine EPA Overreach

Congress continues to pull arrows from its legislative quiver and lob them towards the Environmental Protection Agency (EPA) as the agency circumvents Congress in advancing the Obama administration’s environmental priorities.

House members unveiled a funding bill on July 8 that would specifically prevent the EPA from taking action to impose rules regarding coal-fired power plant pollution and dramatically expanding the Clean Water Act’s (CWA) jurisdiction. The appropriations bill also cut EPA’s total funding by 9 percent from 2014.

A bipartisan group of lawmakers have spoken out against the EPA’s proposed regulations, asserting the agency is pursuing rules that would obliterate the coal industry, increase electricity prices, and expand the agency’s jurisdiction over private land and development. Opponents argue that the result would be heavier electricity cost burdens for consumers and the elimination of hundreds of thousands of jobs.

Earlier this month, Rep. Steve Southerland (R-Fla.), joined by a bipartisan group of House Transportation and Infrastructure (T&I) Committee members, introduced separate legislation prohibiting the rule, which
would dramatically broaden the scope of the CWA and effectively require a developer to obtain a federal permit to develop land around “waters” as small as drainage ditches. The proposed rule drew criticism from a broad swath of industry stakeholders concerned about increased federal intervention into local land use decisions. *The Waters of the United States Regulatory Overreach Protection Act (H.R. 5078)* was reported out of committee on July 16 and awaits consideration from the full House.

Other bills reigning in EPA overreach are expected to be considered by the House before the midterm elections. ACPPA remains steadfast in the work of preventing EPA overreach from negatively impacting the work of industry and the American industry. Read about ACPPA’s message to the agency in last month’s *Actionline*. Read comments submitted by ACPPA’s board of directors here.

**House, Senate Move Forward on HTF Patch**

With the Highway Trust Fund (HTF) expected to go broke in a little over a month, the House and Senate are poised to act to keep money flowing to transportation projects around the country.

Introduced on July 8, the House Ways and Means Committee unveiled and quickly approved a $10.8 billion bailout package that would extend the solvency of the HTF through Memorial Day 2015. Approved by voice vote, *H.R. 5021*, would cover the gap in highway spending through budget gimmicks such as “pension smoothing”, transferring funds from the Leaking Underground Storage Tank (LUST) Trust Fund, and extending certain customs duties. On July 15 – a week after its introduction – the package was approved by the House by a 367-55 vote.

Meanwhile, the Senate Finance Committee also approved its $10.8 billion draft bill, which is similarly funded by “pension smoothing”, LUST transfers, and customs duties but which would also close some tax loopholes. The full Senate is expected to vote the last week of July under a procedural agreement that will require 60 votes for passage after consideration of several amendments.

Transportation advocates are working to enact the short-term patch but also trying to force Congress to consider a long-term funding solution for the HTF during the lame duck session after the November elections.

Click the envelope to join ACPPA in calling on lawmakers to save the Highway Trust Fund and Reauthorize MAP-21. 

The Economics of Regulation Part II: Lost Opportunities

Actionline frequently invites friends from Capitol Hill and the Washington, D.C. policy community to share their perspectives and insights on hot legislative and regulatory topics. This month’s guest commentator is Andrew Langer, president of the Institute for Liberty. The views of our guest authors do not necessarily reflect the views of ACPPA.

In our previous discussion of regulatory costs (see May’s edition of Actionline), we discussed overall direct regulatory impacts on the economy. Direct regulatory cost measurement has been a standard tool for arguing for or against the adoption of a particular regulatory proposal for a number of years.

The problem, of course, is that direct regulatory costs are only part of the picture and a distorted part at that. Assessing such costs is half of what are called “cost benefit analyses,” the other half being the so-called “benefits” of a regulation. These are sometimes assessed as resultant economic benefits, for instance, of a more healthy population but at other times are the supposed economic benefits of the regulation itself -- industries that are created as a result of the regulation.

Proponents of regulation regularly tout regulatory-based industries (environmental consultants, for instance, or occupational safety consultants, or even people skilled in navigating the evermore complex maze of human resources regulations). Unfortunately, this is not real job creation in the traditional sense. Economists refer to this as the “broken window theory” of economics. The idea is simple: some economists argue, earnestly, that a child running through a shopping center breaking windows is producing an economic benefit, since those whose windows are broken will, in turn, have to buy new windows -- putting money in the pocket of window makers and installers and so on.

The problem, of course, is that proponents of this theory ignore the possibility that the business owner might have had other plans for the money he had to spend on the broken window and that the opportunity to spend that money is now, quite literally, “out the window.”

Yes, this is a simplification of the concept of “opportunity costs,” but the measurement of such costs is an essential element of any business -- it helps the business owner to prioritize decisions, both in the long and short term.

It also paints a more accurate picture of monetary costs of regulation. In terms of direct costs, for example, a regulation’s impact on a worker’s time (we will discuss time in the next article) is merely assessed at what the business might otherwise pay that worker. So assuming for a moment that a worker’s time might cost $20 per hour, that business might otherwise bill out that worker’s time at $100 per hour -- the real measurement of the loss.

From a macroeconomic perspective, the assessment of opportunity costs vis a vis regulatory impacts on the U.S. economy as a whole has been elusive. That changed with the publication in June 2013 of “Federal Regulation and Aggregate Economic Growth” by economists John Dawson of Appalachian State University and John Seater of North Carolina State University in the Journal of Economic Growth. In their
study, they use a “macro dynamic” model (i.e., how regulations and the commensurate lost opportunities change business behavior, and in doing so change U.S. economics) and conclude that the current $2 trillion in annual direct regulatory costs (using the same numbers from the U.S. Small Business Association study cited in the previous piece) actually costs the American economy $38.8 trillion in lost GDP.

In their analysis, Seater and Dawson essentially say that in a zero-regulation environment, our economy would be more than three times as large as it is today -- and that regulatory costs are vastly understated. If we use a dollar-for-dollar formula, we can take a regulation’s costs, as stated by an agency, and multiply them by nearly 20 -- 19.4 -- to get a far more accurate picture of the regulation’s impact because of the lost opportunities of that regulation itself.

Now, nobody is saying that America ought to exist in a regulation-free economy. But, what this points us to is that massive economic gains could be had from modest regulatory reforms. When using direct economic cost numbers, we have concluded in the past that every 10 percent reduction in direct regulatory costs could produce 6 million jobs. But by using the Seater and Dawson study, a 10 percent reduction in regulation would add an additional $3.8 trillion to the economy and (using proxy data from the U.S. Chamber of Commerce on job creation and regulatory costs) potentially create 16 million jobs!

The time has come to start using the cost of lost opportunities due to regulation, and not just direct regulatory impacts, as a method of assessing the true impact of regulations on the American economy.

Check Your Inbox - Canadian Anti-Spam Law Takes Effect

On July 1, Canada’s Anti-Spam Law (CASL), which requires an explicit opt-in for any commercial electronic messages (CEM) entering or leaving Canada, went into effect. Any business or organization using e-mail, text messaging or social networks to promote products and services is advised to learn about the law.

Compliance with the law, which was passed in 2010, is mandatory. Examples of affected communications include weekly newsletters, digital edition notifications, subscription renewals and any other news items. Every business owner, manager and employee is encouraged to examine the legislation to see how it will affect their marketing campaigns.
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.

Search Terms:
Pressure Pipe  Cement  Silica Fume
Concrete Pressure Pipe  Fly Ash

NEWS RESULTS

Pressure Pipe

US DOC Announces AD Orders on Welded Stainless Pressure Pipe
The US Department of Commerce (DOC) published Monday antidumping (AD) orders on welded stainless steel pressure pipe from Malaysia, Thailand, and Vietnam.

Concrete Pressure Pipe

Could Microtunneling Technologies Mean The End Of Combined Sewer Systems?
U.S. cities are spending billions of dollars to update antiquated combined sewage systems that no longer serve their urban needs by drawing on underground tunnel-boring equipment that has improved in recent years.

Cement

Building Collapse and Standardization of Cement
07/22/14  http://allafrica.com/stories/201407220663.html
Before now, the crisis rocking the cement industry sub-sector had bordered on demand and supply.
New Biodiversity Management Guide Launched for the Cement and Aggregates Industry
07/22/14  

IUCN (International Union for Conservation of Nature), in collaboration with CEMBUREAU and other industry associations in the cement and aggregates sector, has launched a new guide to encourage companies to responsibly manage biodiversity throughout their operations.

Orcem Plans ‘Green’ Cement Plant at Vallejo Terminal
07/14/14  

Orcem Americas, Inc., plans to build a $50 million “green” cement manufacturing facility on 4.8 acres that are part of the Vallejo Marine Terminal across from the Mare Island waterfront.

IITs Team up to Develop Eco-friendly Cement
07/17/14  

Researchers from the Indian Institute of Technology-Madras, along with two other IITs and two institutes from Switzerland and Cuba, are working on eco-friendly cement which has the potential to reduce cement-related carbon emissions by as much as 40 per cent.

Algae Eats Cement Plant Pollution for Breakfast
07/16/14  
http://www.troymedia.com/2014/07/16/algae-eats-cement-plant-pollution-for-breakfast/

Algae is a pretty important organism. The first plants on earth probably evolved from algae.

Demand for Cement and Concrete Additives to Surpass US$25 Billion by 2017
07/17/14  


WBCSD CSI to Carry Out Externalities Study for Cement and Concrete
07/17/14  

On the basis of robust data, models and evaluation tools that its members have been collectively developing over years, the World Business Council for Sustainable Development's (WBCSD) Cement Sustainability Initiative (CSI) has now decided to initiate and conduct a broad analysis of the externalities (impacts and benefits) of the cement and concrete sector.
Carbon Dioxide-Reducing Cement and Concrete Technology Advances with Funding Support from DOE National Energy Technology Laboratory


The carbon footprint of the cement and concrete industry will be smaller, and commercialization of a new sustainable cement and concrete will be accelerated, thanks to a four-year research and development project co-funded by the US Department of Energy’s National Energy Technology Laboratory (NETL) and startup, Solidia Technologies®.

New EPA Rule Threatens Access to Limestone Deposits


The PCA has issued a statement on its website regarding legislation that could help protect industry from the proposed redefinition of ‘waters of the United States’.

Cement, Ceramics Makers Import Gypsum, Feldspar Despite Local Availability


In spite of abundant local availability of gypsum and feldspar across the country, cement, ceramics and glass makers still resort to the import of these solid minerals, which serve as raw materials for them.

*Fly Ash*

Chesapeake Acts to Manage Dominion Site’s Fly Ash

07/14/14  http://hamptonroads.com/2014/07/chesapeake-acts-manage-dominion-sites-fly-ash

How aggressive will U.S. EPA be in its final rule for coal ash regulations? During today's OnPoint, Kirk Benson, CEO of Headwaters, the country's largest manager of coal ash, discusses his expectations for the final rule and talks about the impact Duke Energy Corp.’s Dan River incident had on the dynamic of the coal ash debate.

Headwaters' Benson Discusses Future of Final EPA Rule

07/07/14  http://www.eenews.net/tv/videos/1850/transcript

When Dominion Virginia Power shuts its coal-fired generating plant on the Elizabeth River by the end of the year, the city wants to make sure nearly a million tons of fly ash buried on site are either removed or sealed.
NLC Uses Bottom Ash As An Alternative to Sand
At a time when the riverbed sand is getting scarce and its price fast rising, the Neyveli Lignite Corporation has evolved a technology to use bottom ash, a residue being collected from the thermal power stations, as substitute for sand.

REGULATORY RESULTS

Cement

General Permits and Permits by Rule for the Federal Minor New Source Review Program in Indian Country
The Environmental Protection Agency is proposing general permits for use in Indian country pursuant to the Indian Country Minor New Source Review (NSR) rule for new or modified true minor sources in the following six source categories: Concrete batch plants, boilers, stationary spark ignition engines, stationary compression ignition engines, graphic arts and printing operations, and sawmills.

National Emission Standards for Hazardous Air Pollutants: Off-Site Waste and Recovery Operations; Proposed Rule
The Environmental Protection Agency (EPA) is proposing amendments to the national emission standards for hazardous air pollutants (NESHAP) for off-site waste and recovery operations (OSWRO) to address the results of the residual risk and technology review (RTR) conducted under the Clean Air Act (CAA).

Pressure Pipe

Welded Stainless Pressure Pipe From Malaysia, Thailand, and the Socialist Republic of Vietnam: Antidumping Duty Orders
Based on affirmative final determinations by the Department of Commerce (the Department) and the International Trade Commission (the ITC), the Department is issuing antidumping duty orders on welded stainless pressure pipe (WSPP) from Malaysia, Thailand, and the Socialist Republic of Vietnam (Vietnam).