

March 28, 2013 – VOLUME 10, ISSUE 3

Senate committee passes WRDA, infrastructure still bipartisan

On March 20, the Senate Environmental & Public Works (EPW) Committee unanimously approved the Water Resources Development Act (WRDA) of 2013 ([S. 601](#)). The bill would authorize drinking water, wastewater and other infrastructure projects, speed up the environmental review delivery process, provide critical flood protection for communities across the country, and create up to 500,000 new jobs.

EPW Chairman Barbara Boxer (D-Calif.) and Ranking Member David Vitter (R-La.) worked closely to produce this critical legislation. ACPPA will encourage House leaders to follow the Senate's bipartisan effort to ensure that WRDA is approved quickly and sent to the president's desk.

The WRDA bill now heads to the Senate floor, where it is expected to pass.

Visit ACPPA-action.org today to urge your leaders on Capitol Hill to make water infrastructure investment a top priority.

New Canadian budget includes significant infrastructure investment

On March 21, the Canadian government released a 2014 budget that is winning praise from the business community for its commitment to infrastructure investment.

The budget, under a new [Building Canada](#) plan, provides \$53 billion in investments over 10 years, with more than \$47 billion in new funding for local and economic infrastructure projects. The plan will start in 2014-15 and includes the following:

- \$32.2 billion over 10 years under a Community Improvement Fund to build roads, public transit, recreational facilities, and other community infrastructure across Canada.
- \$14 billion for a new Building Canada Fund to support major economic projects of national, regional, and local significance.
- \$1.25 billion for the renewal of the P3 Canada Fund to continue supporting innovative ways to build infrastructure projects faster and provide better value for Canadian taxpayers through public-private partnerships.

The plan will also provide funding for expanded skills and apprenticeship training programs.

ASCE unveils new infrastructure report card: Time to hit the books

In the newly released 2013 Report Card for America's Infrastructure, the American Society of Civil Engineers (ASCE) gave the nation's infrastructure a cumulative D+ grade. The report card, released every four years, estimates the country's infrastructure networks require an estimated \$3.635 trillion investment by 2020.

The poor grade signifies that the condition of the country's overburdened infrastructure is unsatisfactory. In its study, ASCE indicates approximately \$1.723 trillion needs to be invested in surface transportation, including highways, bridges, rail and transit, by the end of the decade in order to receive a grade of B (adequate for now). Surface transportation is estimated to receive \$877 billion of investment in that time frame, leaving a funding gap of \$846 billion. Water and wastewater infrastructure needs are estimated at \$126 billion by 2020, but if those projects only receive the expected \$42 billion, they will incur a shortfall of \$84 billion.

The various categories received the following grades:

Aviation: D	Ports: C
Bridges: C+	Public Parks & Recreation: C-
Dams: D	Rail: C+
Drinking Water: D	Roads: D
Energy: D+	Schools: D
Hazardous Waste: D	Solid Waste: B-
Inland Waterways: D-	Transit: D
Levees: D-	Wastewater: D

The report card also provides analysis of infrastructure conditions in each state that can be viewed by visiting: <http://www.infrastructurereportcard.org/states/>

Visit ACPPA-action.org today to tell your lawmakers to make surface transportation and water infrastructure funding a priority.

Highway investment spared as Congress approves government funding bill

On March 26, President Obama signed continuing resolution (CR) legislation ([H.R.933](#)), funding the government through the end of the fiscal year (Sept. 30).

The CR appropriates MAP-21 contract authority funding at its original level, rescinding the 0.1 percent cut and reinstating an inflation adjustment removed under the last CR.

The Senate's version of the CR was an improvement to a House bill, which would have extended the 0.1 percent rescission to every federal program, project, and activity. This cut would have funded MAP-21 at levels below the authorized amount.

ACPPA has been active on Capitol Hill throughout the CR's legislative process and addressed concerns raised by concrete pressure pipe manufacturers. When the Senate considered language that would cap tax expenditures for interest earned on municipal bonds, the primary method for state and local government to finance public improvements and infrastructure projects, the association joined a coalition of industry leaders urging the Senate to protect the bonds. These provisions were not included in the final bill.

Sequestration impacts federal construction programs

On March 1, the automatic spending cuts known as sequestration took effect, chopping billions from federal programs. While a few programs like the Highway Trust Fund and the Airport Improvement Program are largely exempt, the majority of government investment accounts will suffer cutbacks of nearly five percent.

Overall, roughly \$1.2 trillion will be cut from government spending over the next ten years, with \$85 billion from this fiscal year alone.

The table below illustrates the impact of sequestration on federal construction program budgets in FY 2013:

<u>Program</u>	<u>FY 2013 Budget Authority</u>	<u>Budget reduction</u>
Highway Trust Fund (core)	\$40.2	Exempt
Highway Trust Fund (General Fund payment)	\$6.2 billion (Sequesterable amount of Highway Trust Fund)	\$316 million (no impact this year, but will reduce future year HTF balances)
Federal-aid Highways (Contract authority)	\$739 million (Sequesterable amount of Highway Trust Fund)	\$38 million
Highway Emergency Relief from Hurricane Sandy Bill	\$2 billion	\$101 million
Transit Formula Program	\$8.5 billion	Exempt
Transit Capital Programs	\$1.9 billion	\$96 million
Army Corps of Engineers (Construction)	\$2.3 billion	\$250 million
Airport Improvement Program (Core)	\$3.515 billion	Exempt
Airport & Airway Trust Fund (grants-in-aid)	\$1 million (Sequesterable amount of Airport Improvement Program)	<\$50,000

Though the Congressional Budget Office [estimates](#) sequestration will shave 0.6 percentage points from the economy's annual growth rate, the actual impact is still unknown. Lawmakers are already working to replenish funds to certain agencies that were hit by the spending cuts, particularly the Department of Defense.

The sequester – which was never actually supposed to happen – illustrates just how dysfunctional the political process has become. The federal budget is in desperate need of reform, but across-the-board cuts (as opposed to targeted reductions) do not address our long-term fiscal problems. Visit ACPPA-action.org to urge your lawmakers to pursue comprehensive budget and tax reforms that propel our country forward.

Senators unveil infrastructure bank legislation

On Feb. 26, Democratic Sens. Jay Rockefeller (W.Va.) and Frank Lautenberg (N.J.) introduced a bill that would use federal funding to incentivize private spending on public infrastructure.

The America Infrastructure Investment Fund Act of 2013 ([S. 387](#)) would create a \$5 billion fund within the Department of Transportation to grant loans and loan guarantees to states, local governments, and private interests for transportation projects. The legislation would also create a national infrastructure investment grant program.

In the House, freshman Rep. John Delaney (D-Md.) is working on draft [legislation](#) that would not require any general fund monies by allowing companies to repatriate overseas profits and use some of it to fund an infrastructure bank concept.

With the Highway Trust Fund running low cash, lawmakers need to devise creative solutions to address the nation's infrastructure crisis. Visit ACPPA-action.org to urge your lawmakers to make infrastructure investment a top priority today!

House passes workforce development bill

On March 15, the House passed legislation intended to reduce inefficiencies in federal job training programs, making it easier for Americans to gain the skills needed to remain competitive.

The Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act ([H.R. 803](#)) streamlines and eliminates 35 ineffective and duplicative employment and training programs. The proposal creates a single Workforce Investment Fund to assist state and local workforce leaders in developing comprehensive employment and training systems to help get Americans back to work.

The bill also reforms the nation's workforce investment system authorized under the Workforce Investment Act to ensure it is producing results for all job seekers and employers by:

- Streamlining the confusing maze of workforce development programs;
- Strengthening business engagement in state and local workforce decisions;
- Increasing state and local flexibility, and reducing administrative overhead;
- Supporting education and training opportunities for all adults, dislocated workers, and youth;
- Improving services at One-Stop Career Centers and promoting innovation;
- Ensuring accountability for the use of taxpayer funds; and
- Enhancing adult education and vocational rehabilitation services.

Importantly, the new structure will maintain and improve workforce development and related services offered to all Americans, including unemployed and low-skilled adults and youth, currently receiving services under these programs.

Passed largely along party lines, the bill now heads to the Senate where Democrats are expected to make significant changes to the legislation.

States pick up infrastructure funding slack

Across the country, state transportation officials are faced with shrinking budgets and crumbling infrastructure. While the federal government has historically been a major provider of infrastructure funding, today's deficit reduction measures coupled with an aversion to federal user fee enhancements have left state transportation coffers dwindling.

State legislatures are increasingly devising creative solutions to ensure continued infrastructure funding given federal inaction. Earlier this year, Wyoming increased its gas tax ten cents while Pennsylvania, Michigan, and Maryland have proposed their own user fee increases.

Conversely, Virginia recently passed innovative legislation scrapping the gas tax in favor of a wholesale tax on motor fuels, providing the state with roughly \$880 million per year in additional transportation revenue.

Congress often looks to the states for creative policy solutions. With Washington's unprecedented inability to put forward proposals to maintain the solvency of our national infrastructure, reaching out to your state and local representatives may be the best way to impact infrastructure funding. Visit ACPPA-action.org to contact your state lawmakers today.