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## ACPPA urges lawmakers to avoid sequestration

On Nov. 13, ACPPA's board of directors sent a letter to House and Senate leadership expressing opposition to the budget cuts set to occur on Jan. 2 through sequestration – a process designed during the 2011 debt-ceiling debate to implement automatic spending cuts to force congressional action on the deficit.

ACPPA's board urged lawmakers to work together to adopt a fiscally responsible mechanism to avoid the harshness the mandatory cuts would impose on necessary federal programs. While supporting the goal of deficit reduction, the board highlighted the dangerous impact blind sequestration cuts would have on our nation's crumbling wastewater and drinking water infrastructure. With state funds down nearly one-third since 2010, greater investment is needed simply to maintain the current water management system. The letter highlighted the Environmental Protection Agency's estimates that more than \$600 billion is needed to repair and rebuild our wastewater and drinking water infrastructure.

Most importantly, the board emphasized to lawmakers that, in the long run, spending on water infrastructure generates greater revenue streams than the cost of the initial investment. [Research](#) by the College of William & Mary has shown that over twenty years each dollar spent on water infrastructure generates \$2.03 in total tax receipts (\$1.35 for the federal government).

With the nation's water infrastructure in dire shape, our lawmakers must work together to avert harmful automatic budget cuts that would negatively impact our water management system. Visit [ACPPA-Action.org](#) to tell your lawmakers to find an alternative to budget sequestration.

## The status quo, but more of it: Our take on the 2012 elections

After more than a year of nonstop campaigning and billions of dollars spent on political ads, the 2012 elections are over. Here's the down-and-dirty, after-election report from ACPPA's government affairs team.

### *Who won?*

There's no denying that President Obama and the Democrats had a great night. Obama came back from a self-described political "shellacking" in the 2010 midterms to win a convincing re-election (even if he is the

first president to win a second term with fewer electoral votes than he received his first time out.) The Democrats picked up several seats in the House, but didn't make significant gains.

The real story was the Senate. Given the number of seats Democrats were defending, adding to their majority was an impressive feat (keep in mind that it wasn't long ago that the Republicans were considered to have at least an even shot at winning the Senate). Of course, a few Democratic victories came because of GOP fumbles, but in the end every win counts. The Democratic Senate candidates who won the toss-up races (particularly in red states) proved their stuff. We're guessing that some of them will quickly emerge as important national figures. We also hope they'll be mindful of their narrow victories and show a willingness to work with the business community and across the aisle to expand their support back home.

### *Who lost?*

The Republican Party has some soul searching to do. It underperformed with women, minorities, and younger voters. While the Republicans still have an edge on economic policy, extreme positions on immigration and social issues clearly hurt GOP candidates, even in states Romney won. We're hearing Republican friends talk about the need for the party to evolve its thinking in some areas and embrace a more modern and consistent libertarian platform that keeps government out of the boardroom *and* the bedroom.

### *What's next?*

The re-election reaffirmed the status quo. Although the Democrats won, neither party can claim a mandate. If anything, the narrow margins tell us voters don't think either party has all the answers. Our hope is that this message finally gets through to the president and congressional leaders in both parties. Nothing substantive is going to happen on the policy front unless both parties agree.

If compromise is in the air (and Republicans on the Hill are already making noise in that direction), it's even more imperative for our industry to be engaged in the process to make sure our views and interests are taken into account. ACPPA's legislative agenda is no different now than it was before. We want a quick resolution to the fiscal cliff; a simpler, more consistent tax code; budget reform; new user fee revenues to support increased investment in infrastructure; and common-sense regulatory policy (particularly to allow continued growth in the energy sector).

### *Is there a silver lining to the clouds?*

Given the uncertainty surrounding federal tax and budget policy (not to mention the broader economy), a status quo result may be a blessing in disguise. We have no doubt Gov. Romney would have managed a swift and effective transition (and been a good president), but it would have taken months to get his cabinet approved by the Senate, staff up the administration, and develop a concrete policy agenda. In the interim, we would have had more uncertainty and distraction, not less.

Love 'em or hate 'em, all the major players are the same today as they were the day before the election (including most of the staff). That means there's absolutely no excuse for the president and congressional leaders not to hit the ground running as soon as next week and act swiftly, decisively, and collectively to address the problems they know they have to solve. We'll be there to keep them going in the right direction.

### **Company PACs put you in the driver seat**

After HeidelbergCement fused Lehigh Hanson to create one of the largest construction materials companies in North America, CEO Dan Harrington and his senior team looked to ramp up the company's political engagement. Essential to that objective was ensuring that lawmakers who represented their facilities took notice of the role the company played in the community.

To raise the company's profile, its leadership team decided to create a Political Action Committee (PAC). With guidance from its Senior Vice President of Government Affairs, Public Relations, and Sustainability Tom Chizmadia, a veteran PAC manager, the company created Lehigh Hanson PAC. Fueled by voluntary political contributions from eligible employees, the PAC supports candidates who share the company's priorities to help create a favorable business and regulatory environment.

The PAC also increases employee participation in the political process. The company set up a charitable-matching program, where PAC contributions are matched up to a certain point by Lehigh Hanson and donated to a charity of the employee's choice. Candidates receiving PAC support often visit their local Lehigh Hanson facility, providing greater visibility of Lehigh Hanson's community contributions and face time with elected officials for its employees.

Creating a company PAC is a positive way to earn the attention of representatives in Washington and opens the door for conversations with like-minded allies on the Hill. Chizmadia's advice to others considering a similar route: "It's important to have the support of senior management from the outset and for your government affairs program to be integrated with the business plan."

### **WRDA hearing highlights water infrastructure needs**

On Nov. 15, the Senate Environment & Public Works Committee (EPW) held another hearing on reauthorizing the Water Resources Development Act (WRDA), citing the destruction Hurricane Sandy caused to our nation's aging water infrastructure as proof of the need for action on the legislation.

Despite failure to reauthorize WRDA since 2007, committee members highlighted the bipartisan support for the measure. Other recurring themes included the need for shared responsibility among federal, state, and local governments, passing a bill to establish the Water Infrastructure Finance and Innovation Authority

(WIFIA), and creating a voluntary national levies safety program based on a newly-compiled inventory of national levies.

Witness testimony addressed the need to streamline the Army Corps of Engineers' project selection and completion process. In particular, panelists stressed that the Corps should make regional ecosystem restoration projects a priority to strengthen natural barriers to flooding and improve critical watersheds along the East Coast.

While EPW Committee Chairman Barbara Boxer (D-Cal.) had hoped to push WRDA through during the lame duck session, a Herculean task given the limited time frame and crowded congressional calendar, she recently acknowledged that action will have to wait until next year. Boxer noted that she plans to work with incoming Ranking Member David Vitter (R-La.) to move WRDA early in the 113th Congress.

### **Report shows rural water funding overlap**

On Oct. 16, the U.S. Government Accountability Office (GAO) released a [report](#) detailing the fragmented nature of rural water and wastewater infrastructure programs, warning of the burden rural communities face while navigating federal procedures.

According to GAO, the responsibilities of the Environmental Protection Agency (EPA) and the U.S. Department of Agriculture (USDA) concerning rural water infrastructure funding often overlap, causing communities to complete duplicate applications when applying for assistance. While GAO did not cite examples of duplicate funding awarded among water projects, it did find that communities were applying to different programs for the same project. This process creates delays and increases costs to communities since both EPA and USDA have similar, though not identical, application requirements.

The report recommends that EPA and USDA complete guidelines to help states develop uniform preliminary engineering reports and environmental analyses, as well as emphasize the importance of state-level coordination.

### **Congressional transportation leadership changes hands**

On Nov. 27, the House Republican Steering Committee [announced](#) committee chairs for the incoming Congress.

The House Transportation & Infrastructure Committee is among those that will see a leadership change. Current Chairman John Mica (R-Fla.), a long-time friend of the construction industry, will turn the gavel over to Rep. Bill Shuster (R-Pa.). Shuster, recently elected to his seventh term, is a familiar face to the construction industry and a longtime advocate on surface transportation, railroad, and pipeline policy

issues. Shuster has indicated that he plans to focus on water infrastructure, passenger rail, and surface transportation reauthorization early in his tenure as chair.

On the other side of the Hill, Senate Environmental & Public Works Committee Chairman Barbara Boxer (D-Calif.) will remain as the panel's top leader. Ranking Member Jim Inhofe (R-Okla.) is expected to give up his position to become the lead Republican of the Armed Services Committee, allowing Sen. David Vitter (R-La.) to step up to the leadership spot.

ACPPA would like to thank Rep. Mica and Sen. Inhofe for their commitment to transportation and water infrastructure issues and looks forward to a continued relationship. The association congratulates Rep. Shuster and Sen. Vitter and eagerly awaits working with them to advance the nation's infrastructure needs in the coming years. Stay tuned to *Actionline* for updates as subcommittee leadership is announced in the coming weeks.