AMERICAN Concrete Pressure Pipe ASSOCIATION

Actionline

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Water Trust Fund Bill Makes Splash in House

On Nov. 21, Rep. Earl Blumenauer (D-Ore.) introduced bipartisan legislation in the U.S. House of Representatives that would create a water infrastructure trust fund to help states and local government replace, repair, and rehabilitate critical wastewater treatment facilities.

The Water Protection & Reinvestment Trust Fund Act of 2013 (H.R. 3582) would create a voluntary labeling and contributory system to which businesses relying on clean water could opt-in. Most of the funding created by the legislation would be distributed as grants and loans through the existing Clean Water State Revolving Loan Fund. These funds are grants used to capitalize state funds which then provide loans to publicly owned treatment works for wastewater treatment construction.

Fifteen percent of the funds in the Water Protection & Reinvestment Trust Fund will be used to support an innovative financing program based on the successful Transportation Infrastructure Finance & Innovation Act. This funding would be used to provide low-cost capital to clean water infrastructure projects.

Earlier this year, the American Society of Civil Engineers gave the nation's drinking water and wastewater infrastructure a "D" in its 2013 Report Card for America's Infrastructure, the second-to-lowest grade of any infrastructure category. The Environmental Protection Agency has also estimated that $384 billion in improvements are needed for the nation's drinking water infrastructure through 2030.

With the state of the nation's drinking water infrastructure worsening every day, now is the time to invest in our water distribution networks to create jobs, grow the economy, protect the environment, and improve the quality of life for all Americans. Visit ACPPA-action.org today to tell your lawmakers to make water infrastructure funding a top priority!

Much to Do, Too Little Time: Congress Stumbles to Year's End as Crises Loom

It's that season again when the leaves change color, the temperature drops, and the congressional agenda winds down for the year. Unfortunately, lawmakers only have a handful of legislative days left to tackle our nation's most significant challenges before the session ends and Congress goes home for the holidays.

As we head into the second session of the 113th Congress, our nation's leaders must hammer out long-term solutions to the budget crisis and debt ceiling. Despite last month's continuing resolution (CR) to re-open the federal government, funding once again expires on Jan. 15, 2014, setting up another showdown early next year when the new legislative session is just winding up. Word on the Hill is that the budget conference committee required by the CR will not produce a major breakthrough. In order to avert yet

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another crisis, Congress will have to work together in the final days of the session to at least lay the groundwork for a modest deal since lawmakers return a mere week before government funding runs out.

The federal highway program also faces drastic cuts over the next year if Congress doesn't find alternative revenue streams to keep the Highway Trust Fund (HTF) solvent. According to data released by the Congressional Budget Office (CBO), in FY 2015 the HTF will be unable to support any highway or transit spending, jeopardizing more than $50 billion in annual investment. The potential loss of almost $36 billion in core annual highway investment alone would take an enormous toll on the equipment industry. Additionally, the highway reauthorization legislation known as MAP-21 expires in 2014, prompting another round of congressional negotiations to fund our nation's surface transportation network. Infrastructure investment must be a top priority as we head into in the new year.

Lastly, the House and Senate must work together in a conference committee to resolve differences in their respective water infrastructure bills. The House legislation (H.R. 3080) provides $8 billion in funding for U.S. Army Corps of Engineers' construction programs and streamlines environmental reviews to speed project delivery, while the Senate bill (S. 601) authorizes $12 billion for waterway construction and improvement over the next decade. Additionally, the Senate gives the executive branch authority to determine which projects will be undertaken, while the House requires congressional review and approval. Given the strong bipartisan support in both chambers, observers are optimistic these differences will be resolved quickly and a final conference report will be completed in the coming months.

Combined with other big ticket items like immigration reform, the new health law, and a comprehensive farm bill, Congress has a daunting agenda for the foreseeable future. The association looks forward to working with lawmakers to ensure our industry isn't left behind in the looming legislative battles.

Canadian Construction Industry Charges into New Year

Actionline recently sat down with Michael Atkinson, the president of the Canadian Construction Association (CCA) to discuss trends in Canadian infrastructure and the policy goals of the association as it heads into the new year.

Actionline: As you know, construction activity plays a vital role in ensuring a vibrant and growing economy. What are some of the trends impacting the construction industry in Canada?

Atkinson: A number of trends can be seen across Canada in the construction industry. There is unprecedented demand for construction in resource-based sectors. Over the next ten years, there are some 600 projects alone in the resource sector that will be underway valued at in excess of $650 billion. According to ReNew Canada the top 48 infrastructure projects currently underway or planned in Canada are individually valued at more than $1 billion. However, capacity challenges like an aging workforce and a shortage of skilled labor makes it difficult for firms to undertake increasingly larger projects, especially since the majority of construction companies are small businesses. In response to this, and to combat foreign competition from European companies, the domestic industry is experiencing a rise in the number of acquisitions and mergers to build larger employee pools within firms and is taking advantage of new technology and practices to do more with less.

Actionline: The shale energy boom is having an enormous impact on the U.S. construction and manufacturing industries. How is the rise in shale oil and natural gas drilling affecting the Canadian economy?

Atkinson: Given the country's energy needs, shale development isn't seeing the same level of growth as it is in the United States. Canada doesn't have sufficient pipeline infrastructure to get bitumen to refineries. Certainly, pipeline and liquid natural gas projects are being built, but they tend to be located in remote areas without much supporting infrastructure. The biggest solution to Canada's immediate energy needs is actually coming from the hydroelectric industry.

Actionline: What were some of CCA's major accomplishments in 2013 and what goals do you have for the new year?

Atkinson: Canada's current infrastructure funding plan, called the Building Canada Plan, expires in March 2014. CCA has worked with industry stakeholders to ensure a replacement is in place next year. Recently, the federal government announced a new $53 billion plan investing in Canadian infrastructure over the next 10 years. Of that money, $2 billion annually is dedicated to municipal infrastructure and will be drawn from a gas tax indexed to inflation under the new plan. This was a big win for CCA and its allies. The association also played a role in improving Canada's immigration system, which needed serious reform to ensure the industry had access to a robust skilled labor pool. The old system was really inadequate because it was a point-based system that favored individuals with a post-secondary education. The new system is based more on the demand for skilled workers, since the construction industry in Canada alone will need more than 250,000 new employees by 2021 just to replace those exiting the workforce. Canada's domestic labor supply will only provide about 150,000 of those workers, so immigration will be a very important factor for Canada's continued economic growth.

Actionline: What is CCA doing to influence the legislative process in Ottawa? How does your grassroots network and partnerships with other associations assist in that process?

Atkinson: CCA has a good relationship with the current conservative government, which favors policies that promote economic growth and job creation. It helps that ministers are elected officials as opposed to political appointees like their counterparts in the United States. They tend to be more receptive to public demands. CCA also works with provincial associations to align the industry's message in singular fashion at all levels of government. This is to ensure lawmakers hear the same message in Ottawa as they do when they return home to their constituencies. CCA also works with other groups like labor associations to build an even stronger case for governmental action.

Actionline: An interconnected, well-maintained North American transportation network is critical to ensuring a robust economic relationship between the United States and Canada. Keeping in mind the challenges the United States is facing in boosting infrastructure investment, what is the state of Canada's surface infrastructure and what is needed to address any funding gaps?

Atkinson: Looking at infrastructure investment as a percentage of gross domestic product (GDP) is much more useful than laying out a specific dollar amount. Investment as a share of GDP can be tracked over a number of years to determine whether a gap in funding exists. CCA prefers this method because it is how infrastructure is measured internationally, since different countries have different funding needs. It also links the quality of a country's infrastructure with its potential for economic growth, which is a key linkage for government and the public to understand. One way CCA has approached this issue is by publishing an infrastructure report card, much like the American Society of Civil Engineers, that rates water and wastewater infrastructure, transportation networks, etc. This way, we can track improvements to national infrastructure over time.

Actionline: ACPPA supports the approval of the Keystone XL pipeline and the construction of the Detroit-Windsor Bridge connecting Michigan and Ontario. What impact do collaborative efforts between the United States and Canada like these have on the broader North American economy?

Atkinson: Collaborative efforts are critical to maintaining the economic ties between the United States and Canada. The Detroit-Windsor Bridge is a public-private partnership project and is well received by most Canadians. The current international crossing at that location, the Ambassador Bridge, supports more commerce in one year than all the trade that occurs between the United States and Japan. So, efforts like these really help forge a strong North American economy.

Actionline: What differences are there in the way infrastructure is funded in Canada versus in the United States? How stable over the long term is that funding?

Atkinson: In Canada, infrastructure tends to be a bipartisan issue. The gas tax mentioned earlier was first introduced by the previous liberal government. The current conservative government actually indexed it to inflation and made it permanent. This bipartisanship provides some stability to infrastructure funding, even when the government changes hands. National infrastructure programs in Canada also often call for matching investments from provincial and even municipal governments under a system of bilateral framework agreements between the federal government and each provincial or territorial government. These joint arrangements make for a proven mechanism by which governments at various levels in Canada can take a cooperative, joint approach to infrastructure funding. That approach proved its worth when the federal government, working with provincial and municipal governments was able to implement and deliver a very successful and ambitious infrastructure stimulus program during the recent recession. ..

ACPPA would like to thank Michael Atkinson for taking the time to share his insights.

Bipartisan Senate Infrastructure Bank Legislation Introduced

On Nov. 14, a bipartisan group of senators introduced legislation that would create a new financing authority, or infrastructure bank, to build and maintain our nation's crumbling surface transportation network.

Sponsored by Sens. Mark Warner (D-Va.) and Roy Blunt (R-Mo.), the Building & Renewing Infrastructure for Development & Growth in Employment Act (S. 1716), or the BRIDGE Act, would establish an independent, nonpartisan financing authority to complement existing U.S. infrastructure funding. The authority would provide loans and loan guarantees to help states and localities fund road, bridge, rail, port, water, sewer, and other significant infrastructure projects.

Under the plan, the infrastructure bank would receive initial funding of up to $10 billion, which would incentivize private sector investment and make up to $300 billion in total project financing.

While ACPPA encourages finding creative solutions to maintain our roads and bridges, the association believes financing mechanisms like an infrastructure bank are supplemental to, not a substitute for, ensuring the long-term solvency of the federal highway program. Keeping highway spending at current levels ($41 billion) will plunge the federal Highway Trust Fund $365 billion into the red over the next 20 years. Closing that gap will require new funding in the form of gas tax increases or other new user fees.

Tea Party Republicans introduce bill to devolve federal highway program
While there is broad support for federal infrastructure investment on Capitol Hill, a fringe group of lawmakers are proposing to devolve the highway program entirely to individual states. Rep. Tom Graves (R-Ga.) and Sen. Mike Lee (R-Utah) have introduced bicameral legislation (H.R. 3486)(S. 1702) to transfer almost all authority over federal highway and transit programs to the states over a five-year period.

ACPPA strongly believes the federal highway program must be preserved to guarantee robust infrastructure investment, protect national security, and ensure continued economic competitiveness. To urge your lawmakers to make federal highway funding a top priority, visit ACPPA-action.org.

House Appoints Water Infrastructure Conference Committee Members

On Nov. 14, the U.S. House of Representatives leadership appointed conferees to resolve the differences between recently-passed House and Senate water resources development legislation (H.R. 3080)(S. 601).

House conferees include Republicans Bill Shuster (Pa.), John Duncan (Tenn.), Frank LoBiondo (N.J.), Sam Graves (Mo.), Shelley Moore Capito (W.Va.), Candice Miller (Mich.), Duncan Hunter (Calif.), Larry Bucshon (Ind.), Bob Gibbs (Ohio), Richard Hanna (N.Y.), Daniel Webster (Fla.), Tom Rice (S.C.), Markwayne Mullin (Okla.), Rodney Davis (Ill.), Doc Hastings (Wash.), and Rob Bishop (Utah).

Representing the Democrats are Nick Rahall (W.Va.), Peter DeFazio (Ore.), Corrine Brown (Fla.), Eddie Bernice Johnson (Texas), Tim Bishop (N.Y.), Donna Edwards (Md.), John Garamendi (Calif.), Janice Hahn (Calif.), Rick Nolan (Minn.), Lois Frankel (Fla.), Cheri Bustos (Ill.), and Grace Napolitano (Calif.).

The Senate leadership nominated its conferees earlier this month. Representing the Senate are Democrats Barbara Boxer (Calif.), Max Baucus (Mont.), Tom Carper (Del.), Ben Cardin (Md.), and Sheldon Whitehouse (R.I.), and Republicans David Vitter (La.), John Barrasso (Wyo.) and James Inhofe (Okla.).

Several key differences must be addressed before final legislation can be delivered to President Obama for his signature. The Senate bill authorizes $12 billion for waterway construction and improvement over the next decade, $4 billion more than the House legislation. Additionally, the Senate gives the executive branch authority to determine which projects will be undertaken, while the House requires congressional review and approval. Critics have argued S. 601 cedes too much authority to the president, since the Army Corps of Engineers would approve projects in the future without congressional input.

Given the strong bipartisan support in both chambers, observers are optimistic these differences will be resolved quickly and a final conference report will be completed in the near future, possibly by the end of the year.

Stay tuned to *Actionline* as the story develops.

Bipartisan Effort Seeks to Put Brakes on HOS Rule

On Oct. 30, Rep. Richard Hanna (R-N.Y.) introduced legislation to delay implementation of federal hours-of-service (HOS) regulations requiring truck drivers to take a 30-minute break for every eight hours of driving.

The TRUE Safety Act (H.R. 3413), co-sponsored by Reps. Mike Michaud (D-Maine) and Tom Rice (R-S.C.), calls for the Government Accountability Office (GAO) to conduct an independent assessment of the methodology the Federal Motor Carrier Safety Administration (FMCSA) used to determine the new rules. The legislation also prevents the regulations from being implemented until at least six months after the GAO submits its assessment to Congress.

FMCSA's guidance document explains that a "short-haul" operations exemption will apply to drivers (commercially and non-commercially licensed) who operate within 100 air-miles of their normal work reporting location, as well as non-commercially licensed drivers who operate within a 150 air-mile radius of the site where they report for duty.

Despite this clarification, the HOS rules remain complex and cumbersome to navigate. ACPPA needs input from members about the impact HOS issues have on your companies. If you'd like to be involved in our work on this issue, contact Daniel Fisher at daniel.fisher@potomac-law.com or 703-299-0784.