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WRRDA Passes Committee with Unanimous, Bipartisan Support

On Sept. 19, the House Transportation & Infrastructure Committee (T&I) approved the Water Resources Reform & Development Act (WRRDA) of 2013 ([H.R. 3080](#)) by unanimous vote.

The bill authorizes \$10 billion for Army Corps of Engineers programs, including dam, levee, port, and waterways improvement and construction projects. Reforms contained in WRRDA will accelerate project delivery through streamlining and will fundamentally change the way the Corps conducts business through study consolidation and setting hard deadlines. WRRDA contains no earmarks and is revenue neutral, funding new projects by de-authorizing those approved, but not yet commenced, prior to the last enacted Water Resources Development Act (WRDA) in 2007.

In a [letter](#) to T&I Committee leadership, ACPPA President Rick Lawhun commended lawmakers on the bipartisan bill and committed to working “to invest in our nation’s water resources infrastructure to create jobs, grow the economy, protect the environment, and improve the quality of life for all Americans.”

Though Congress’ time will be consumed by efforts to prevent a government shutdown and raise the federal debt ceiling, House Republican leaders have said WRRDA could be on the floor for a vote by the week of Oct. 7. Following House passage, a conference committee would be appointed to work out differences between H.R. 3080 and the Senate water resources legislation ([S. 601](#)).

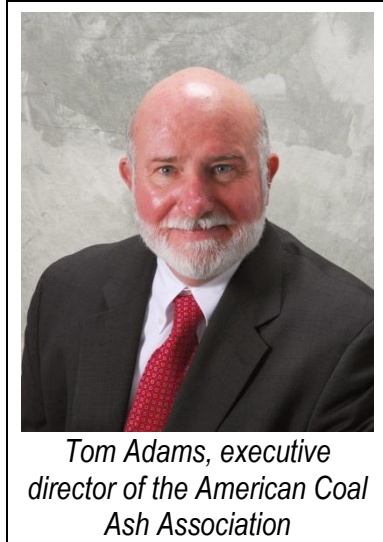
To help make the case for WRRDA, the U.S. Chamber of Commerce, of which ACPPA is an active member, released state-by-state [fact sheets](#) detailing how waterways and ports impact local economies and job creation. The resource also includes links to information about the nation’s top deep water ports, inland ports, and inland waterways.

Visit [ACPPA-action.org](#) today to press for your representative’s support on this critical water projects legislation.

To learn more about the importance of WRRDA, view a video clip from Chairman Shuster: http://www.youtube.com/watch?v=vSF7Uje6z_E

Burning for a Solution on the Coal Ash Bill

Actionline recently sat down with Tom Adams, executive director of the American Coal Ash Association (ACAA) to learn about coal ash, a key product used in the manufacturing of concrete, and efforts opposing its classification as a hazardous waste



Actionline: Tom, what is the status of the Environmental Protection Agency's (EPA) efforts to regulate coal ash as a hazardous waste?

Adams: The agency continues to work on creating a rule. On Sept. 3, comments closed on the most recent Notice of Data Availability issued by the EPA, which are now currently under review. The agency has also demonstrated some linkage with another rulemaking on Effluent Limitation Guidelines. In announcing a proposed rule, regulators acknowledged they overstated the risks associated with the use of coal combustion products (CCP) by an order of magnitude. They also stated they do not see a need to regulate CCP as hazardous waste. However, the bottom line is that until such a position is firmly established in a regulation or legislation, the industry still faces uncertainty.

Actionline: What would be the impact on industry, particularly the construction and manufacturing sectors, if coal ash were to be classified as a hazardous waste?

Adams: Any form of hazardous waste classification would be crippling to future building material recycling efforts. Liability concerns are the foremost problem. The entire supply chain has expressed serious concerns about exposure to tort activity which could result from a hazardous waste label. The second major problem is consumer acceptance. Who wants materials containing "hazardous waste" in their home? Coal combustion products are found in roofing, foundations and slabs, drywall, and carpet backing.

Actionline: In July, the House passed Rep. David McKinley's (R-W.Va.) Coal Residual Reuse and Management Act ([H.R. 2218](#)), which gives states the authority to set their own standards for the disposal of coal ash with oversight from the EPA and would prevent regulators from classifying the residual as a "hazardous material." Why is this legislation so important to concrete users and the construction industry more generally?

Adams: The McKinley bill provides a solution to disposal concerns while eliminating the potential for hazardous waste regulations. Under H.R. 2218, the disposal of coal combustion products would be managed in a manner very similar to that used for municipal solid waste. The state regulators responsible for enforcing the program support the bill, as do the utility and recycling industries. It provides a federal baseline for regulating disposal which does not exist today. The EPA has been trying to manage disposal for over 30 years and has yet to figure it out. To vote against the McKinley bill is to support the status quo: no disposal regulation on the federal level. The opposition to this bill is found in two places - anti-coal activists and those who make goods competing with products containing CCP. Every other interest from all levels of government and the private sector support this concept.

Actionline: Last Congress, Sen. John Hoeven (R-N.D.) led an unsuccessful push for this coal ash legislation in the upper chamber. Who in the Senate is leading the charge to prevent coal ash from being given a “hazardous material” classification and is the approach different this year?

Adams: Sen. Hoeven continues to provide leadership on behalf of Republican senators. In the last Congress, Kent Conrad of North Dakota was leading for the Democrats, but he has since retired. While Sen. Max Baucus of Montana has been leading work on the issue for some time, he has announced his retirement as well. It appears that Sen. Joe Manchin of West Virginia is now stepping up to lead Democrat support.

Actionline: What can coal ash advocates, like the members of ACPPA, do to convince lawmakers in the Senate to take immediate action on this critical legislation?

Adams: Recyclers have been informing Senate members of the damage of regulatory uncertainty and the potential danger of poorly crafted regulations. The message continues to be heard throughout the Senate.

ACPPA would like to thank Tom Adams for taking the time to share his insights. To encourage your senators to ensure coal ash isn't classified as a hazardous waste, be sure to visit www.ACPPA-action.org

Defunding Obamacare Stands in Way of Government Funding Agreement

On Sept. 19, the House passed a continuing resolution (CR) ([H. Res. 352](#)) that keeps the federal government in business for nearly three months (until Dec. 15), while defunding the Affordable Care Act (ACA or “Obamacare”).

The proposal, dead on arrival in the Democrat-controlled Senate, was largely a political statement by House conservatives. Senate Majority Leader Harry Reid (D-Nev.) struck the CR's ACA killing provision before the chamber voted to send it back to the House as a clean extension of government funding.

From there, however, even Washington insiders are unsure what to expect. House Republican leaders have until Sept. 30 to decide how they will quell an uprising from the GOP's tea party faction insistent upon ending Obamacare once and for all, even if it means shutting down the government. House Republican leadership has been unsuccessfully urging its caucus to save the Obamacare fight until the battle over the debt ceiling increase commences, allowing the federal government to continue operations.

Debt Ceiling Crisis Just Around the Corner

As Congress strives to keep the government open, it will be simultaneously fighting to raise the \$16.7 trillion federal debt limit. The battle over the nation's debt is expected to draw once again from the most partisan of wish lists – Democrats demanding tax increases and Republicans will likely continue to insist on entitlement reform and Obamacare repeal. All of these options are unlikely and will probably require party leadership to muscle their caucuses to vote ‘aye’ to keep the federal government open and paying its debt.

As *Actionline* went to press, this story was still developing, but a government shutdown looked ever more likely. If a shutdown happens, the immediate impact on the construction industry will be mixed. The Federal Highway Administration (FHWA), which administers road and bridge programs, receives its funding through the user-fee financed Highway Trust Fund. FHWA's employees therefore won't be furloughed. However, fewer than 10 percent of the Environmental Protection Agency's employees will stay on the job, which will likely affect administration of federal sewer and drinking water construction programs.

Stay tuned to *Actionline* for updates on these critical negotiations.

Lower Your 2013 Tax Bill by Investing in Your Company

With the depreciation bonus set to end on Dec. 31, time is running out for your company to cut its 2013 tax bill by making new capital investments.

The depreciation bonus was first enacted to help recover from the 2000-2002 recession. The capital investment incentive lapsed in 2005, but was reinstated in 2008 as the economy again took a turn for the worse. Congress has since continually renewed the law but given recent signs of economic strength, it's unlikely lawmakers will extend the measure again.

In a nutshell, the law lets companies buying new equipment in 2013 to write off 50 percent of the value plus the percentage of remaining basis that it would normally deduct in the first year. That reduces the company's taxable income, which in turn cuts the company's tax bill.

Here's an example of how it works. Assume you buy a new \$100,000 asset with five-year Modified Accelerated Cost Recovery System (MACRS) life. Under the temporary law, you can write off \$50,000 (50 percent bonus depreciation) plus \$10,000 (20 percent of remaining \$50,000 in basis) for a total write-off (taxable income reduction) of \$60,000. If you're in the highest tax bracket, that can mean a savings of \$15,840 off your 2013 tax bill.

To qualify, the equipment must be new (first use must occur with the taxpayer claiming the bonus depreciation); depreciable under MACRS with a cost recovery period of 20 years or less; put in service in calendar year 2013 (so don't wait until Dec. 31 to place your order!); and purchased in 2013.

A couple additional things to keep in mind:

- There's no limit on the value of the assets that can be depreciated.
- The depreciation bonus can be combined with Sec. 179 (which allows some companies to expense new AND used capital asset purchases) for even more tax savings.
- The depreciation bonus isn't mandatory (you can opt out).
- Depreciating more of an asset's value this year means you'll have less to depreciate in the future, so your tax bills in the out-years could be higher (but consider the time value of the money – would you rather have Uncle Sam holding onto it or be able to use it now to pay workers, make other investments in your company, etc.)

- The law can also put you in a negative tax situation if you sell the asset before the end of its tax life. However, the pain can be negated by taking advantage of Like-Kind Exchange rules.
- Some states have disallowed the depreciation bonus, so claiming it on your federal return may create some complexities when you file with the state.

More information about the law is available at <http://www.depreciationbonus.org> and at <http://www.irs.gov/publications/p946/index.html>.

Of course, the tax code is incredibly complex and every company's tax situation is unique. This article isn't intended to be tax or legal advice. Be sure to check with your tax professional before making any purchase with the intention of claiming depreciation bonus.

IRS Mandates Businesses Inform Employees of Health Coverage

On Aug. 30, the Internal Revenue Service published a [rule](#) in the Federal Register requiring employers to provide all employees (full and part time) with information regarding their health coverage options by Oct. 1, 2013.

Mandated by the Affordable Care Act, the new rule applies to businesses that fall under the Fair Labor Standards Act regardless of whether the employer offers health insurance to any of its employees. Businesses will be required to notify new hires of coverage options within 14 days of their start date.

The Department of Labor created model notices for employers that [do offer](#) and [do not offer](#) health coverage to employees. Notices must include information about what is provided in the Health Insurance Marketplace, an employee's eligibility for premium tax credits for certain plans, and that purchasing coverage in the Marketplace may mean forfeiting an employer-sponsored health care plan.

Stay tuned to ACPPA for more information about Affordable Care Act rules.