

Council Emphasizes Need for Highway Trust Fund Fix

ACEC has acted on multiple fronts in recent weeks to advance robust infrastructure funding and a permanent Highway Trust Fund (HTF) solution.

During ACEC's 2017 Annual Convention and Legislative Summit in late April, ACEC Citizen Lobbyists urged their representatives to sign a letter to the Ways and Means Committee asking it to address the long-term financial stability of the HTF as part of comprehensive tax reform.

Led by Chairman Sam Graves, R-Mo., and Ranking Member Eleanor Holmes Norton, D-D.C., of the House Highways and Transit Subcommittee, the letter notes that all HTF revenue enhancements in the last 30 years have been included in larger tax and deficit reduction packages.

"Any HTF solution should entail a long-term, dedicated, user-based revenue stream that can support the transportation infrastructure investment supported

by President Trump and members of Congress from both parties," the letter states. ACEC and its stakeholder allies have secured over 150 bipartisan signatures, with the goal of finalizing the letter before the end of May.

ACEC also joined 33 other organizations, including the U.S. Chamber of Commerce, the National Association of Manufacturers and the American Association of State Highway and Transportation Officials, on another letter urging the House and Senate Budget committees to make boosting infrastructure investment and a HTF fix a key priority for the F.Y. 2018 budget.

"Failure to address HTF's revenue shortfall as part of a comprehensive measure would increase the likelihood of Congress again shifting funds from elsewhere in the budget to support another in a long string of one-time trust fund infusions," the groups wrote. "A long-term, growth-supporting revenue solution for the HTF would achieve many of the economic and fiscal objectives of both parties."



Rep. Sam Graves, R-Mo.



Rep. Eleanor Holmes Norton, D-D.C.



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House Passes Health Care Bill, Cuts Mandates, Taxes on Firms

The House of Representatives passed legislation that would make significant changes to the Affordable Care Act, including the elimination of certain mandates and taxes on engineering firms.

The American Health Care Act of 2017 would repeal the employer mandate penalties on firms with more than 50 employees that do not offer qualified health insurance. Several taxes would also be repealed, including the tax on fully insured, traditional health plans sold to individuals and small firms, and taxes on wages and investment income paid by individuals who earn more than \$200,000 and families that earn more than \$250,000. In addition, the 40 percent "Cadillac tax" on high-cost health plans would be delayed until 2025.

The Senate is expected to draft its own health care reform legislation, the next step in what is likely to be a long legislative process.

DESIGN-BUILD REFORM MOVES FORWARD IN THE SENATE

ACEC's efforts to limit single-step design-build and stop the use of reverse auctions on design-build construction will take a step forward when Sens. Rob Portman, R-Ohio, and Mazie Hirono, D-Hawaii, reintroduce the Construction Consensus Procurement Improvement Act.

ACEC and industry allies have long opposed the use of single-step design-build, which puts the emphasis on teams that submit the cheapest bid. The bill would limit the use of single-step design-build in civilian construction to smaller projects (under \$3 million), strongly encouraging the two-phase process, which places greater weight on the qualifications of the competing teams.

The bill would also prohibit the use of reverse auctions in any federal design-build project. Reverse auctions require that participants submit bids in an online time-limited competition. Despite a report from the U.S. Army Corps of Engineers stating that reverse auctions did not provide "significant or marginal savings," federal agencies continue to use this process for certain construction projects.

The House version of the bill (H.R. 679) was approved by the Oversight and Government Reform Committee in February.



Sen. Rob Portman
R-Ohio



Sen. Mazie Hirono
D-Hawaii

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ISSUES ON THE MOVE

Highway Trust Fund Solvency

Health Care Reform

FY18 Funding for Overseas Development

WHAT'S NEXT

Action on infrastructure/tax expected late summer/fall

Senate action expected in the summer

Action expected in the summer

ACEC's Tax Reform Priorities

During the Annual Convention Capitol Hill visits, Member Firm executives advocated for comprehensive tax reform that provides equal treatment to C corporations and pass-through entities, including S corporations, partnerships, and sole proprietorships.

Members also underscored the importance of maintaining the cash method of accounting, the Section 199 domestic production activities deduction, provisions to encourage employee ownership, and proposals to incentivize services exports.



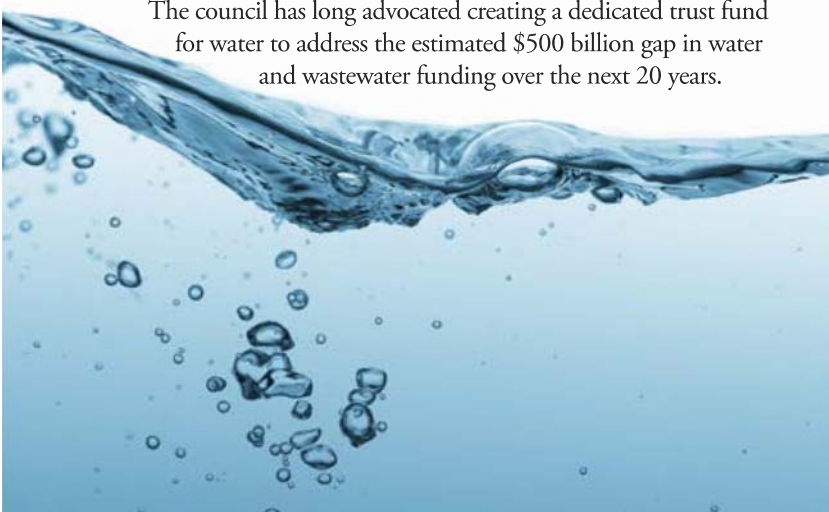
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ACEC-Backed Water Trust Fund Bill Reintroduced

Reps. Earl Blumenauer, D-Ore., and John Duncan, R-Tenn., reintroduced ACEC-backed legislation to create a dedicated trust fund for water infrastructure projects around the country.

The Water Infrastructure Trust Fund Act of 2017 would create a voluntary fee for water user industries to be deposited in a trust fund and disbursed through the existing Clean Water State Revolving Fund and Drinking Water State Revolving Fund programs. Companies that participate in the program could include a special supporter logo in their advertisements.

The council has long advocated creating a dedicated trust fund for water to address the estimated \$500 billion gap in water and wastewater funding over the next 20 years.



ACEC Opposes Funding Cuts for Department of State and USAID

ACEC President and CEO Dave Raymond called on House and Senate appropriators to fully fund U.S. foreign aid agencies in the 2018 *State and Foreign Operations Appropriations bill* in order to bolster U.S. competitiveness in foreign markets.

President Trump's preliminary budget would impose 27 percent funding cuts on the U.S. Department of State, the U.S. Agency for International Development (USAID), the U.S. Trade Adjustment Authority and the Overseas Private Investment Corp.

Raymond emphasized the critical role of these agencies in supporting U.S. foreign policy, as well as promoting U.S. exports, including engineering services.

He also urged lawmakers to adopt language to encourage USAID to hire U.S. engineering firms in international development projects.

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