



President Trump's 2018 budget blueprint envisions a 10-year, \$1 trillion infrastructure program, including \$200 billion in new federal funding, private investment and regulatory reforms to expedite projects.

"The administration's goal is to seek long-term reforms on how infrastructure projects are regulated, funded, delivered and maintained," his budget document states. A range of market sectors are likely targets, including surface transportation, airports, waterways, ports, drinking and wastewater, broadband and key federal facilities. A subsequent White House blog post added new details for how the \$200 billion in funding would be allocated including \$100 billion for local prioritization, \$25 billion for rural infrastructure, and \$15 billion for "transformative projects."

The plan would expand existing financing programs supported by ACEC: the Transportation Infrastructure Finance and Innovation Act program to finance transportation projects, as well as a similar program, the Water Infrastructure Finance and Innovation Act, to support water projects. It also includes tolling options for projects on the interstate system and wider use of private activity bonds for infrastructure projects. The administration also wants to create a nongovernmental entity to manage the nation's air traffic control system.

For transportation in fiscal year 2018, the president's budget seeks full funding for the Fixing America's Surface Transportation Act programs funded through the Highway Trust Fund, including \$44.3 billion for highways and \$9.7 billion for transit formula grants. It also includes \$3.35 billion for the Airport Improvement Program, which is consistent with current funding.

U.S. DOT discretionary programs, however, would be reduced by 13 percent, including cuts to transit capital investment grants and the elimination of the Transportation Investment Generating Economic Recovery multimodal grant program. The budget would also eliminate the \$3 billion Community Development Block Grant program.

Department of Defense programs are slated for \$52.3 billion in additional funding, which would include facilities construction, while the Corps of Engineers budget would be cut by \$1 billion. The president's budget also proposes significant cuts to foreign assistance programs, as well as embassy construction.

The State Revolving Fund programs for water and wastewater would see a modest increase in spending in 2018 while Department of Energy programs would face significant cuts.

Congress rejected many of the same proposed cuts in the spending bill for fiscal year 2017. Lawmakers are expected to debate a budget for 2018 later this summer.

ACEC Supports PABs for Public Buildings

Sens. Dean Heller, R-Nev., and Bill Nelson, D-Fla., and Reps. Mike Kelly, R-Pa., and Earl Blumenauer, D-Ore., have reintroduced legislation that would create a new financing mechanism to support the design and construction of schools, courthouses, libraries and other public buildings.

S. 326 and H.R. 960 would add public buildings to the list of facilities that qualify for private activity bonds (PABs). Under the legislation, up to \$5 billion in PABs would be available to state and local governments to construct a variety of governmentally owned buildings, providing needed infrastructure funding and

encouraging public-private partnerships. The buildings would continue to be owned by the governmental entity, and the bonds could not be used for sports or entertainment facilities.

ACEC and its membership organizations are working to build support for S. 326/H.R. 960 through lobbying efforts on Capitol Hill and



Sen. Dean Heller
R-Nev.



Sen. Bill Nelson
D-Fla.

grass-roots member engagement. The Council hopes the proposal will be included in tax reform or infrastructure legislation that is expected to move through Congress this fall.

FHWA Finalizes Performance Management Regulations, Withdraws GHG Emissions Measurement

The Federal Highway Administration has finalized two regulations implementing the performance management requirements for state DOTs and metropolitan planning Organizations under the Moving Ahead for Progress in the 21st Century Act and the Fixing America's Surface Transportation Act.

The Pavement and Bridge Condition Performance Measures final rule establishes measures for state DOTs to assess the condition of pavements on interstates and the National Highway System (NHS), and for bridges carrying the NHS, including on- and off-ramps connected to the NHS.

The agency also finalized the national performance

management measures for assessing freight movement, travel time reliability, congestion mitigation and air quality improvement programs. This was the last and most complicated of the performance rules mandated by Congress. The agency indefinitely postponed a controversial provision requiring states to measure and set reduction targets for CO₂ emissions, which ACEC and other stakeholders had opposed as outside the agency's statutory authority and an unnecessarily burden on transportation agencies.

State DOTs are required to set performance targets by May 2018 and submit biennial progress reports beginning in May 2020.

ISSUES ON THE MOVE	WHAT'S NEXT
F.Y. 2018 Budget	Congressional action this summer
New financing for public buildings	Possible action as part of tax reform in the fall
Water infrastructure, QBS	Congressional action expected this summer

ACEC Steps up Fight Against PVC Pipe Mandates

ACEC is working at the state and national levels to oppose proposed legislation requiring the use of PVC and other types of plastic pipe on infrastructure projects in a manner that interferes with the judgment of licensed engineers.

To date, ACEC and its state organizations have had an unbroken record of success in stopping these proposed mandates, arguing that technical decisions regarding pipes and other materials should be made by engineers in consultation with their clients.

New challenges, however, continue to emerge. Over the past year, the plastic pipe industry has been most active in Indiana, Michigan, Ohio and South Carolina.

ACEC is working with our state organizations to assemble materials to assist in this effort and is coordinating with national partners to broaden the coalition in opposition to such mandates.



Bipartisan Senate Water Bill Funds CSO Projects, Expands QBS

Sens. Ben Cardin, D-Md., and John Boozman, R-Ariz., have introduced legislation that authorizes funding to control wet weather discharges and expands Qualifications-Based Selection (QBS) for federally funded water projects.



The bill authorizes \$1.8 billion over five years to assist communities with projects to control combined sewer overflows, sanitary sewer overflows and stormwater discharges. The measure would also expand the requirement to use QBS for engineering services under the State Revolving Fund program to include drinking water projects.

Both provisions were adopted as part of a larger water bill in the Senate last year. ACEC is working with the bill's sponsors to promote passage, either as a stand-alone bill or as part of a larger infrastructure proposal this year.

ACEC Backs Legislation to Create Level Playing Field for Federal Trade Association PACs

ACEC is backing legislation to repeal the "prior approval" rule, which requires ACEC/PAC and other federal trade association political action committees (PACs) with corporate members to get permission from individual members before soliciting and/or accepting contributions.

The bill, introduced by Mark Amodei, R-Nev., would allow ACEC and other associations to communicate with their members under the same set of federal rules that apply to corporate PACs and labor unions.

The current prior approval law is discriminatory because no other political entity, including corporate, labor union and individual membership association PACs are subject to this restriction. The requirement also limits free speech protected by the First Amendment because it hinders political participation among association members.

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