ACEC North Carolina
Federal Issues Briefing
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114th Congress -- Status

Major agenda items for ACEC:

✓ New surface transportation program -- done
✓ FAA reauthorization -- extension “plus”
✓ Water infrastructure -- pending
✓ Comprehensive energy package -- pending

Additional business:

✓ Appropriations -- “continuing resolution” likely
✓ Tax reform -- next Congress
Transportation

- Fixing America’s Surface Transportation (FAST) Act, cleared Congress in December; House vote 359-65, Senate 83-16.
- During consideration of the House bill, ACEC:
  - Defeated amendments to mandate insourcing, flawed cost-benefit mandate, and abolish QBS.
  - Secured contracting out language.
- ACEC focused on implementation.
Transportation

- FAST Act – $305 billion over five years – the first long-term program since 2005!
- 10% overall increase in funding.
- $4.5 billion program for “nationally significant” freight projects, $1.4 billion for TIFIA.
- Package includes alternative financing pilot program (VMT), additional environmental reforms, state flexibility.
- Includes ACEC language to promote contracting out by State DOTs.
- 4-year reauthorization of the Export-Import Bank.
- Provisions to enhance the security of the electrical grid.
DOT FAR-Based Audit Rules

- Ongoing work with FHWA, State DOTs to ensure use of FAR cost principles for A/E audits.
- FHWA maintains regulations governing the procurement, payment and auditing of engineering services consistent with the AASHTO Audit Guide.
- ACEC continues to team with FHWA to provide training programs on the Audit Guide.
- Sessions held in PA, MA, WI, Metro Washington, Texas, California, and Washington State; next one in Portland, Oregon in September.
FAA Reauthorization

- Programs extended through Sept. 2017
  - Airport Improvement Program (AIP) maintained at $3.35 billion.
  - Includes targeted aviation safety and airport security measures.
  - No air traffic control privatization.

- ACEC priorities for reauthorization:
  - Increase investment
  - Apply QBS to PFC-funded projects
  - FAR cost principles for airport contracts
  - Greater use of drones
Energy Policy Modernization Act (S. 2012), passed Senate:
- Promotes energy efficiency through model building codes.
- Modernize electrical grid, stress resiliency/security;
- Streamline permitting for LNG exports; creates agency coordinating committee on energy/water policy nexus.

North American Energy Security and Infrastructure Act of 2015 (HR 8), passed House:
- Emphasizes modernizing energy transmission, distribution, and storage;
- Regulatory streamlining and reforms for pipeline construction, energy exports (LNG).

House, Senate forging ahead with conference negotiations.
The Water Resources Development Act (WRDA) 2016 passed Senate Committee:

- Authorizes over $9 billion for flood control, navigation, other water infrastructure needs.
- Includes new QBS requirement for SRF-funded drinking water projects.
- Authorizes new water trust fund, funded through voluntary contributions.
- Financial assistance to reduce lead in drinking water, grant funding for combined sewer overflows (CSOs).

House bill approved in Committee:

- Smaller bill ($5 billion), focuses on Corps projects.

House, Senate floor action in the Fall.
Tax Reform

- House recently released tax reform blueprint:
  - New top rates for corporations (20%), passthroughs (25%), and individuals (33%);
  - Eliminates individual & corporate AMT, estate tax; provides full expensing for capital investments;
  - Eliminates most deductions, retains R&D credit;
  - Eliminates taxes on overseas income going forward.

- Major push on tax reform to wait until 2017.
- R&D tax credit challenges facing A/E firms?
- Congress likely to move tax “extender” bill this year: Section 179D energy-efficient buildings deduction, investment tax credit for renewables.
Export-Import Bank reauthorization in the FAST Act; now focusing on securing a working quorum for Board.


Advocate for QBS at World Bank, development banks.

New Partnering Agreement with Commerce.

Engaging with agencies and Congress on Trans-Pacific Partnership (TPP).
Regulatory Issues

- New FLSA rule boosts salary threshold for overtime to $47,476; takes effect December 1st.
- Proposed “blacklisting” rule requiring federal contractors to report violations of federal (and state) labor laws and EOs by firms and subs; Congress working to limit scope.
- DOL “sick time” rule, 56 hours/year, weekly reporting.
- Overhead caps for firms working for federal agencies (DoD agencies primarily).
Waters of the U.S., court challenges have blocked implementation.

Clean Power Plan (CPP) mandating reductions in CO2/other emissions, increases in renewables; Supreme Court decision delayed implementation.

SEC municipal advisor rule; ongoing work seeking clarifications on scope of coverage.

New FERC cybersecurity rule – concerns over liability.
Winning with ACEC/PAC

- Essential to legislative program – helps to elect/protect lawmakers favorable to ACEC agenda.
- Grew from $300,000 in 2002 election cycle to over $1.5 million in the 2013-14 cycle.
- Nearly $1 million raised in 2015 alone; over $500,000 raised to date for 2016.
- Major focus now is delivering financial support to incumbents/candidates who support industry’s agenda.
- State support essential to meeting fundraising goals and growing the program.
- Thank you North Carolina for your support!