



ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES

Government Affairs

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Trump Admin. - Opportunities

- ❑ **Infrastructure -- \$1 trillion agenda, strong relationship with new DOT Secretary**
- ❑ **Tax Reform – international focus, vehicle for infrastructure funding/financing**
- ❑ **Regulatory Reform Highlights & Future – “Blacklisting” Stopped, Potential FLSA changes, ACA, further environmental streamlining**
- ❑ **Energy projects – pipelines, exploration**

Trump Admin. – Challenges

- ❑ **Trade/International –NAFTA reassessed, focus on bi-lateral agreements**
- ❑ **Immigration Reform/H-1B Visas**
- ❑ **Climate change/sustainability**
- ❑ **Achieving consensus in closely divided Congress**

Trump Proposed Funding— Transportation

- ❑ **Overall \$2.4 billion (13%) decrease**
 - ❑ Budget proposal limits transit & new starts capital investment funding to projects with existing full funding grant agreements.
- ❑ **Eliminates TIGER multimodal grants and support of Amtrak long distance routes**
 - ❑ Refocuses funding on state-supported routes & Northeast corridor

Trump Proposed Funding Defense & Homeland Security

- \$54B boost to defense spending with broad references to increasing milcon and hardware portfolios**
- USACE reduced by \$1B – 16.3% reduction from FY'16**
- \$2.6B for border wall and other “tactical infrastructure” and border security technologies**
- FEMA funding cut by \$667M & new 25% match for FEMA preparedness grants**

Trump Proposed Funding -- EPA

- Budget cut by \$2.6B or 31.4%
- 4% increase for Clean Water and Drinking Water State revolving funds (\$2.3B) + \$20M for the new WIFIA program.
- \$330M reduction in the Superfund hazardous waste clean-up
- Elimination of funding for:
 - Clean Power Plan
 - International climate change programs
 - Great Lakes Restoration Initiative
 - Chesapeake Bay restoration project

Trump Proposed Funding - GSA & VA

- Budget increased by \$200M**
 - Although not stated, GSA plays a large role on the border**
 - GSA also exploring the sale of excess gov't property**
- The VA's proposed budget is increased \$4.4B or 6% for a total of \$78.9B**
 - Focus is on healthcare and medical facilities**
 - Also focused on improving patient access with an increase of \$4.6B**
 - USACE has the CM role in the \$100M+ projects**

Trump Proposed Funding – US International Programs

USAID and State

- Overall cut of 27% to both State and USAID

- Budget cut by \$400M for State Embassy Accounts

\$650M cut from US support to World Bank and other multi-lateral development banks

OPIC and USTDA slated for elimination

Has signaled support for the Export-Import Bank

International



- Export-Import Bank in FAST Act; now working to secure quorum to enable the Bank to approve larger (greater than \$10 million) loan requests.**
- Preferences for US firms in USAID projects – Rep. Dent (R-PA) and Rep. Ruppertsberger (M-MD) included language in State Department appropriations bill.**
- Engaging with agencies and Congress on bi-lateral trade agreements.**
- Ongoing market opportunity programs**

Transportation Update

- ❑ **FAST Act: \$305 billion/10% funding increase.**
- ❑ **Implementation underway:**
 - **Two rounds of the new FASTLANE freight grant program launched, initial TIFIA loans announced last summer;**
 - **Alternative finance/VMT pilot program launched;**
- ❑ **ACEC focused on long-term funding, working with industry partners on outreach to new Congress, Administration.**
- ❑ **FAA Reauthorization—extended through Sept. 2017**
 - ❑ **Increase investment**
 - ❑ **FAR cost principles to airport contracts**

Transportation Lobbying by ACEC

- Generational opportunity to address system needs and overcome funding shortfalls.**
 - **Congress must include a long-term, sustainable solution for the Highway Trust Fund, which will be depleted again in 2020.**
- Incentivize private investment and promote U.S. engineering firms on P3 projects.**
- Allocate funding through existing programs to ensure effectiveness and efficiency.**
- Federal investments should be coupled with reforms to streamline reviews and permitting for infrastructure and energy projects.**

Tax Reform

☐ House Tax Reform Blueprint:

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

☐ “Repatriation” could form basis of larger reform package, fund infrastructure.

☐ Tax “extenders” in 2017 – renewable energy, energy efficient buildings (Section 179D).

☐ IRS Denying R&D tax credit for A/E firms:

☐ Section 179D (energy-efficient buildings):

Tax Reform Lobbying by ACEC

- ❑ **Promoting Exports**—U.S. is major exporter of engineering services – shifting to territorial taxation and encouraging exports is positive step.
- ❑ **Protecting Employee Ownership**—Congress should support employee ownership.
- ❑ **Infrastructure**—Opportunity for funding and financing to support President’s infrastructure plan;

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