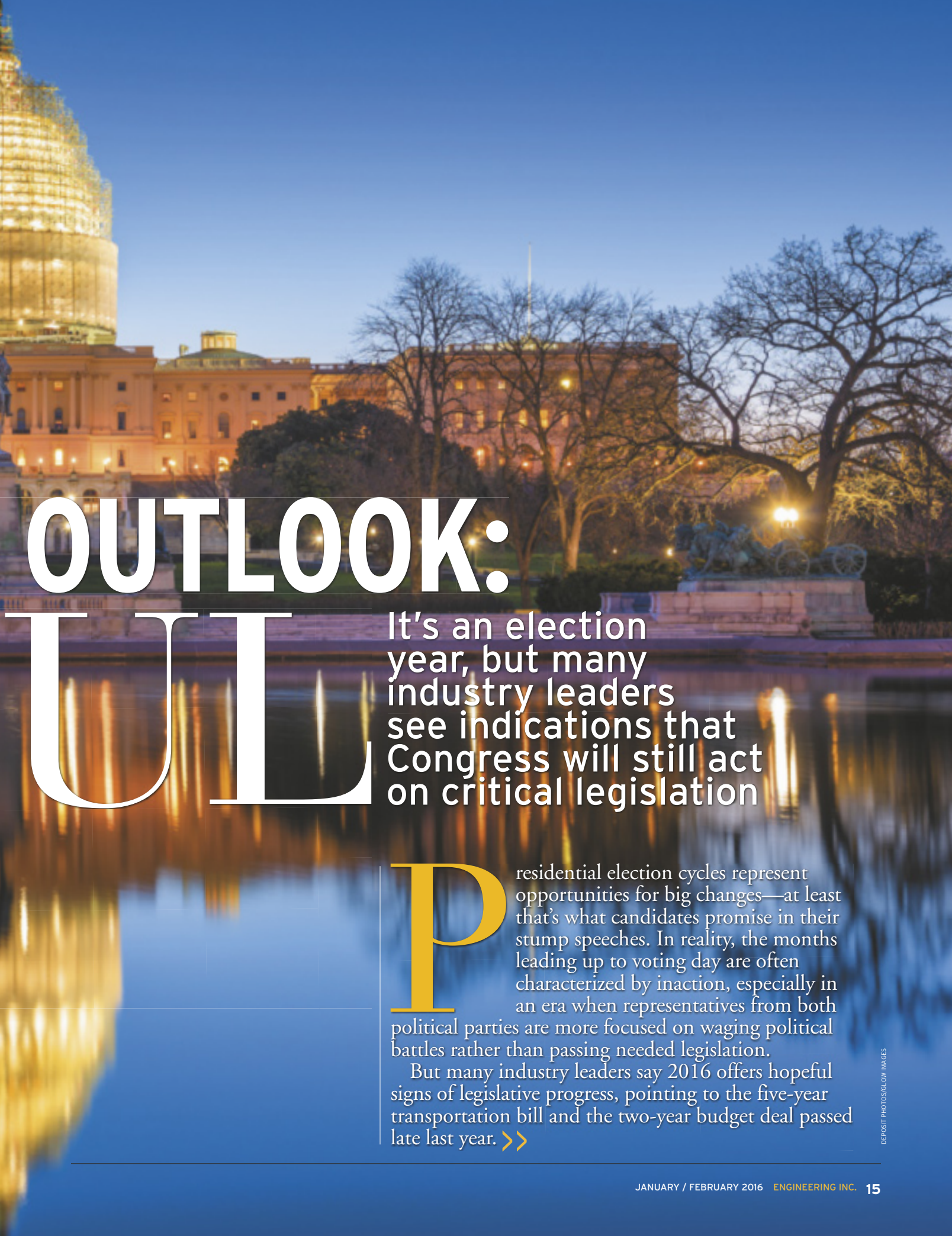




By Alan Joch

2016 LEGISLATIVE HOPE SIGNS



OUTLOOK:

UTIL

It's an election year, but many industry leaders see indications that Congress will still act on critical legislation

Presidential election cycles represent opportunities for big changes—at least that's what candidates promise in their stump speeches. In reality, the months leading up to voting day are often characterized by inaction, especially in an era when representatives from both political parties are more focused on waging political battles rather than passing needed legislation.

But many industry leaders say 2016 offers hopeful signs of legislative progress, pointing to the five-year transportation bill and the two-year budget deal passed late last year. >>

Are these agreements an indication that the second year of the 114th Congress will be more productive than its first, and that representatives and presidential candidates alike will be increasingly willing to champion legislative issues important to the engineering industry?

Member Firm leaders from throughout the nation, who are also part of ACEC's Government Advocacy or Federal Agencies and Procurement committees, weigh in on these prospects as they reflect on the industry's legislative outlook in the coming year.

Question #1: As we embark on a presidential election year, how productive do you expect Congress to be on legislative issues important to engineering and why?

"It's my belief that many elected officials now seem to realize they must show voters they're being productive doing the people's business," says Philios Angelides, president of Alpha Corporation. "As a result, I'm more optimistic that in the upcoming session we'll have a little more cooperation to produce tangible results."

Gary LaPaille, senior vice president of government affairs at MWH Global, agrees. "I'm very hopeful that under the speakership of Paul Ryan some of the tantrums that small factions caused in the House over the last several years are now behind us, and representatives can work together to address the needs of the U.S.," he says. "Many people have come to the realization that enough is enough, and I hope that will prevail in this upcoming year."

Other leaders see signs that important issues are being discussed in new and potentially more productive ways. "The infrastructure discussion used to focus on public safety—bridges are crumbling and roads are cracking up," says Robert Scaer, president and COO of Gannett Fleming. "Now I'm noticing an interesting change in Washington where the rhetoric is shifting to competitiveness. There's a growing sense that new investments are the American thing to do because everybody wins. We will grow our competitiveness in the world and create many new jobs. That's something that resonates with people."

Memories of legislative gridlock and Washington infighting, however, are still fresh in the minds of many. "Politics

could get even more contentious in an election year, so attempts to reach compromises on key issues—even those with bipartisan support—might be viewed as showing weakness or succumbing to the other side," says Jon Nishimura, president of Fukunaga & Associates. "So I don't anticipate a lot of compromise and deal-making."

John Woods Jr., principal at Woods Peacock Engineering Consultants, voices a similar theme. "I don't believe members of either party go home and tell their spouses, 'My way or the highway,' but that's the way members treat each other in Congress," he says. "Some representatives don't want to give the president a success, and he doesn't want to give representatives a success. It's depressing."

Question #2: Which industry issues would you most want to receive significant legislative progress in 2016 and why?

"I can't imagine a bigger stimulus for the economy than infrastructure—it's the one proven area where when you invest the appropriate funds, then job growth and tangible public benefits come out of it," Angelides says.

Some closely pair infrastructure modernization with another important issue—resiliency. "We ought to rebuild our infrastructure in a more resilient manner as we continue to see the impact of climate change," says Don Armour, senior vice president at Stantec.

"We'll be able to lessen the damages and recover more quickly from natural disasters—whether it's wildfires in the West, floods in South Carolina, tornadoes in the Midwest or a superstorm in the Northeast—with an across-the-board effort by the federal government to address both our infrastructure needs and our resiliency needs," Armour says. "The engineering industry has to beat this drum so that congressional leaders and the executive branch really understand the importance and the linkage between these



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MWH GLOBAL

two issues. If we improve our infrastructure, I believe the additional dollars not only will have a huge positive economic impact but will help reduce the damages from future natural disasters. It's a double win."

Comprehensive tax reform is also a top-of-mind legislative need among some engineering executives. "It's important to the business of engineering for Congress to address comprehensive tax reform," says James Porter, corporate transportation manager at J-U-B Engineers. "We need a balanced approach that simplifies things and treats all business structures fairly. We also need to preserve cash accounting, where our companies pay taxes when we are actually paid for the

services we deliver, versus accrual accounting, where we pay taxes when we provide the service."

A congressional committee has proposed forcing large firms to use the latter method. "Accrual accounting would be tough for us because we don't always fully collect on everything we have out for billing, which represents significant cash flow for the industry," Porter says.

Greater attention to water projects would also boost the industry in the months ahead, says LaPaille. "We'd love to see a *Water Resources Reform and Development Act* (WRRDA) for 2016," he says, referring to legislation enacted in 2014. "WRRDA is significant because our water infrastructure is disintegrating, and at the same time, we have a growing population that needs new delivery systems in targeted areas throughout the U.S."

LaPaille would also like further discussions about the *California Emergency Drought Relief Act*, which proposes water infrastructure funding worth \$1.3 billion.

Scaer hopes to see Congress act on additional water-related imperatives. "The infrastructure in our inland waterways has to be addressed," he says. "The lock systems for moving barges on rivers are vitally important to the economy, but they're vulnerable to failure because



John Woods Jr., of Woods Peacock Engineering Consultants, testifies in 2011 before the House Small Business Committee.

they're the original structures. We need to pay significant attention to this area in the near term."

Funding isn't the only challenge surrounding new water and infrastructure projects, according to Angelides. "There are problems with how the government grades water infrastructure and civil works projects, leaving a lot of great projects sitting idle," he says. "Unfortunately, the current grading and scoring system only looks at first-year metrics, without taking into consideration the multiyear funding mechanisms and delivery strategies for major projects."

Nishimura would like to see new rules for sharing risks when implementing new technologies, which he says are needed to help promote innovation. "Sharing risks and responsibilities could help us develop innovative designs and try new methodologies," he says. "The onus for trying something new should not be placed on any one party, whether it's the contractor, engineer, designer or owner. Of course, there must be a thorough analysis beforehand, but if everybody works together and no individual party will be held totally liable if a problem arises, it could foster a willingness to adopt new ideas."

Other Capitol Hill watchers are calling for changes in government procurement

practices. The *Design-Build Efficiency and Jobs Act of 2015*, a bill that would limit single-step, design-build contracting to projects worth \$750,000 or less, is one of several options. "In a two-step contracting process, the design-builder or construction teams submit their qualifications to the government, which then shortlists three to five of the most qualified teams," Woods says. "The shortlisted firms, if they so choose after seeing the final competitors, then devote resources to preparing price and design proposals. In a single-step process, there's no ability for government to know whether one team has better (or even any) qualifications compared to another. Lowest price becomes the qualifier. That's a killer for large, and in particular small, businesses that don't have large marketing staffs to prepare proposals to try and win contracts."

Question 3: What engineering industry issues would you most like to see a presidential candidate address as part of his or her campaign platform to reach the White House?



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"We've spent \$6 trillion in Iraq and Afghanistan, and I think the sentiment of the people in this coming year will be let's start taking care of our home base," says LaPaille. "If the two presidential nominees—whoever they are—both talk about the U.S. economy and infrastructure, then the members in Congress from the respective parties will push the same agenda. So I hope everyone will be pushing in the same direction."

The engineering workforce is also an important issue. "Even if we had all the money needed for infrastructure modernizations, we don't have the human

resources, both in numbers and required training, to deliver the program," notes Angelides. "We don't graduate enough engineers, so we need to continue to reinforce H-1B programs for trained foreign professionals and work for long-term education reform in this country. We must get young people excited about engineering and organically grow our future workforce to sustain infrastructure development programs."

Nishimura agrees. "We must encourage the development of a future generation of problem solvers by giving students tools for moving society forward by making education of our young people a high priority. STEM—science, technology, engineering and math—is the key, which means we must create a strong foundation in this critical area."

A comprehensive energy plan also tops many wish lists. "We would benefit from a plan that encompasses everything from domestic oil production and exports to nuclear power and renewable energy, including hydropower, which is important in the West," says Porter.

He'd also like candidates to push the Federal Aviation Administration to issue guidelines for using unmanned aerial vehicles (UAVs), or drones, for business. "UAVs would benefit engineers in a number of ways," Porter says. "For example, I'd like to use them for bridge inspections. Today, we use climbers to photograph truss bridges in some cases. I'd rather look at a video screen than the pictures that a climber took, because I can control where I'm looking and what I'm looking at. I think drones have the ability to change our business as much as GPS has."

Finally, some engineers want to hear stump speeches devoted to public transportation. "Our increasing workforce of millennials wants to live in downtown areas to use transit systems rather than drive cars," Scaer says. "As a result, our company is moving offices into town centers near light rail lines, and the efforts are going over well. In Phoenix, for example, we just relocated to downtown. So now I'm able to fly into the airport, take a train to the light rail system, and use it to come right to the office. This is exactly what employees want." ■

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