

December 10, 2017

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Kevin Brady
Chairman
Committee on Ways & Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Orrin Hatch
Chairman
Committee on Finance
U.S. Senate
Washington, D.C. 20510

Dear Speaker Ryan, Majority Leader McConnell, and Chairmen Brady and Hatch:

The members of the North American Concrete Alliance (NACA) support the objectives of the Tax Cuts & Jobs Act (H.R. 1), particularly those provisions reducing the corporate tax rate and encouraging capital investment. However, our coalition has concerns with Sec. 3601, 3602, and 3603 of H.R. 1 as passed by the House and Sec. 13532 of the Senate bill, which would abolish tools used by state and local governments to finance infrastructure investment. The aforementioned sections of the House bill would respectively eliminate private activity, advance refunding, and tax credit bonds; the Senate bill would eliminate advance refunding bonds.

Formed in 2004, NACA is a coalition of eleven concrete and cement-related associations dedicated to addressing industry-wide priorities in the areas of research, safety, education and government affairs. Cement and concrete product manufacturing directly or indirectly employs approximately half a million people, and our collective industries contribute approximately \$100 billion to the economy. Like so many other industries, our members are confronting a skills gap that is leaving well-paying jobs unfilled and undermining the growth and efficiency of our member companies.

America's roads, bridges, drinking water and waste water systems, airports, etc. are in desperate need of rehabilitation and expansion. We cannot continue to squander the investments previous generations made by allowing our infrastructure to crumble and collapse. We understand that in our current era of fiscal constraint investment dollars are being squeezed from many directions. However, in our view, it is fiscally irresponsible *not* to increase investments that anticipate future needs, expand capacity, and create highways that truly will increase our global competitiveness. With deemed repatriation part of tax reform legislation, there is a once-in-a-generation opportunity to use an assured pool of revenue to make badly needed investments in infrastructure to ensure manufacturers are able to effectively move their products to market.

We look forward to continuing to work with you and your colleagues to produce a robust infrastructure package this Congress that includes significant additional funding. However, given budget constraints, it is unlikely that Congress will provide the more than \$1 trillion necessary to close the infrastructure gap over the next decade. Tools that facilitate state and local access to capital will therefore continue to be critical to building ourselves out of decades of chronic underinvestment.

Put simply, as America anxiously awaits congressional action on infrastructure, it would be a mistake to eliminate or restrict the use of private activity, tax credit, and advance refunding bonds. We urge you not to include the provisions identified above in the final conference report.

NACA and our members are continuing to do our part to support our nation's infrastructure needs and stand ready to assist Congress as you continue to work on these and other important infrastructure issues.

Respectfully,

American Concrete Pavement Association
American Concrete Pipe Association
American Concrete Pressure Pipe Association
American Concrete Pumping Association
Concrete Reinforcing Steel Institute
Concrete Foundations Association
Tilt-Up Concrete Association

National Concrete Masonry Association
National Precast Concrete Association
National Ready Mixed Concrete Association
Portland Cement Association
Precast/Prestressed Concrete Institute

Cc: Members of the United States Congress