



April 30, 2019

The Honorable Peter DeFazio  
Chairman  
House Committee on Transportation and  
Infrastructure  
2251 Rayburn House Office Building  
Washington D.C. 20515

The Honorable Sam Graves  
Ranking Member  
House Committee on Transportation and  
Infrastructure  
2251 Rayburn House Office Building  
Washington D.C. 20515

Dear Chairman DeFazio and Ranking Member Graves,

As your committee prepares to draft much needed legislation to address our nation's crumbling infrastructure, we appreciate the opportunity you have afforded stakeholders to provide input and express policy priorities.

The American Chemistry Council (ACC) has long been in favor of and has recognized the need for comprehensive federal infrastructure legislation that invests smartly in our roads, bridges, water systems, ports, rail networks, and other forms of infrastructure. ACC member companies are at the cutting edge of innovative and advanced materials that can be used to make vital infrastructure systems more sustainable and resilient in addition to lighter, stronger, and more cost effective—ultimately this means a better return on investment for the American taxpayer.

Recently, PricewaterhouseCoopers (PwC) examined the impact of existing transportation infrastructure and logistical issues impacting the U.S. chemical manufacturing industry and how those difficulties will be exacerbated as the industry is expected to grow with over \$200 billion in capital expenditures expected since 2010.

Ultimately, PwC concluded that unless the U.S. makes serious and significant investments in transportation infrastructure—truck, rail, and marine—the industry should expect to incur the following economic impacts:

- ***Excess Inventories** is additional inventory held due to transportation delays, and will likely translate to a cost of **\$22 billion** in working capital.*
- ***Capital Expenditures (CAPEX)** is expected to increase by **\$23 billion** for equipment and infrastructure required to handle increased congestion and delays.*
- ***Operating Costs** will likely increase by **an additional \$29 billion over a ten-year period** due to logistical inefficiencies.*

The U.S. chemical industry is leading an American manufacturing renaissance that will result in 426,000 new jobs and \$301 billion in new economic output. We cannot allow our own shortsightedness on infrastructure investment hinder the economic and technological successes.



Therefore, in addition to the following policy proposals we urge the Committee to adequately fund our nation’s infrastructure to support the next generation of American manufacturing. ACC strongly encourages the Committee to include the following bipartisan policy objectives, singly or together, in whatever infrastructure legislation the Committee endorses:

1. **Open Competition for Our Nation’s Infrastructure Materials.** Federally funded infrastructure projects should require open, competitive bidding procedures for all materials. An open and competitive bidding process will allow local officials to make smart investments by considering multiple technologies for infrastructure projects, which will allow them to make the best decision for their community based on performance, including sustainability and resiliency, as well as cost effectiveness. Providing municipalities with more competition options will help maximize the use of taxpayer dollars and lower prices for consumers.

The American Water Works Association (AWWA) estimates that more than \$1.3 trillion is needed for water infrastructure improvements in the coming decades. When looking at this data, the National Taxpayers Union estimates that “open competition” could save over \$371 billion on water infrastructure improvements alone.

Therefore, we recommend pairing increased federal investment with smart policies such as open competition that have received broad bipartisan support, including but not limited to the following (see attached for full letters and reports):

- **Oregon Environmental Council** – October 2018
- **Donna Nyberg**, Chair, Labor Caucus of the Democratic Party of Oregon – October 2018
- **Senator Arnie Roblan**, Oregon Senate District 5 – October 2018
- **Representative Brad Witt**, Oregon House of Representatives, District 31 – October 2018
- **Representative Alissa Keny-Guyer**, Oregon House of Representatives, District 46 – October 2018
- **Doug Morten, Council President**, City of St. Helens, OR – October 2018
- **Ron Verini**, Mayor, City of Ontario, OR – October 2018
- **U.S. Conference of Mayors** [“Municipal procurement: Competitive bidding for pipes Demonstrates Significant Local Cost-Savings”](#) – October 2018
- **The Brookings Institute**, [“Four ways to make wiser infrastructure investments”](#) – July 2018
- **Bipartisan Policy Center**, [“Increasing Innovation in America’s Water Systems”](#) – August 2017
- **Progressive Policy Institute**, [“Soaring Construction Costs Threaten Infrastructure Push”](#) – October 2017



- **Americans for Tax Reform; National Taxpayers Union; Taxpayers Protection Alliance; R Street Institute; ALEC Action; Americans for Prosperity; FreedomWorks; Council for Citizens Against Government; Waste Independent Women’s Voice; Center for Freedom and Prosperity; Campaign for Liberty; 60 Plus Association; Citizen Outreach Less Government; National Federation of Republican Assemblies; Tea Party Nation – May 2017**
2. **Recycled Plastics in Infrastructure.** Sustainable technologies must be part of our infrastructure future. Other countries are already leading the way by incorporating recycled materials into their building projects. We urge the Committee to consider policy proposals that harness American innovation to use recycled plastic as a performance material:
    - a. Develop, demonstrate and evaluate the performance of recycled plastic in asphalt and concrete.
    - b. Encourage the use of recycled plastics in infrastructure and expand eligible infrastructure funding to include recycled plastics materials.
    - c. Study the manner in which the United States can make progress toward use recycled plastics in infrastructure.
  3. **H.R. 1159, the Innovative Materials In American Growth and Infrastructure, Newly Expanded (IMAGINE Act).** The IMAGINE Act promotes innovative technologies and solutions that improve the performance of our national infrastructure by driving research and incentivizing investments in innovative technologies and materials that will enhance the durability and extend the service life of our built environment. Importantly, this legislation will empower localities in coastal and rural areas to build structures which meet the critical performance they need, but lack the resources to construct.
  4. **The Realizing the Economic Opportunities and Value of Expanding Recycling (RECOVER) Act.** This draft legislation will improve our national recycling infrastructure.
  5. **Composites in Infrastructure.** Composites and other advanced material technologies should increasingly become a consideration in infrastructure materials. This should include but not be limited to:
    - a. Develop, demonstrate and evaluate the performance of composites in infrastructure projects.
    - b. Encourage the use of composites in infrastructure and expand eligible infrastructure funding to include composite materials.



Thank you for your attention to these priorities and for your hard work, dedication, and commitment to rebuilding our nation's infrastructure. We look forward to working with you on this and other efforts the Committee is undertaking. If you have any questions, please do not hesitate to contact Spencer Pederson ([spencer\\_pederson@americanchemistry.com](mailto:spencer_pederson@americanchemistry.com)) on my staff.

Sincerely,

A handwritten signature in black ink that reads "Cal Dooley". The signature is written in a cursive, slightly slanted style.

Cal Dooley  
President & CEO

