

PRESS RELEASE
FOR IMMEDIATE RELEASE
December 22, 2020

For more information:
Robert Baylor, NUCA Director of Communications
703-890-7807, robert@nuca.com

NUCA Delivers For America's Utility Construction Industry ***Final Coronavirus Relief Legislation Supports Infrastructure, Economy***

(Fairfax, Va.) – The National Utility Contractors Association's (NUCA) work over the past several months on at least five important legislative issues paid off in the final omnibus/Covid-19 relief package being passed by Congress in the last days of their legislative session.

"The American utility construction industry spoke, and Congress listened," said NUCA CEO Doug Carlson. "2020 has been tough for business. Our member's companies continued to build and repair our nation's essential water and wastewater systems, but like hundreds of thousands of other local businesses they've struggled to meet payroll and pay invoices. The last thing American businesses needed right now is a surprise tax increase when they file their 2020 federal tax returns."

NUCA fully supported the omnibus/Covid-19 relief legislation emerging from this December's legislative battles and worked to secure its passage. This legislation will help NUCA's small and large members in several areas:

Approved: PPP Loan Forgiveness. Earlier this year, NUCA supported the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided for more than \$525 billion in loans through its Paycheck Protection Program (PPP). However, while the CARES Act provided that qualified PPP loans eligible for loan forgiveness could be excluded from a company's federal business taxes, a potentially damaging IRS ruling transformed this tax-free loan forgiveness into taxable income. This would have subjected our members to tax increases of up to 37 percent on their taxes, something that would have crushed small business depending on these loans to stay in business. NUCA's tireless advocacy addressing this issue gained the needed clarification in this bill that business expenses paid with PPP loan proceeds are tax-deductible, consistent with the original intent of the CARES Act.

Approved: \$7 Billion For Community Broadband Deployment. Reliable and fast broadband service is even more vital today as our national economy continues to need online services to conduct business, educate students, and adjust to Covid-19 social distancing requirements. NUCA's broadband advocacy in this bill gained \$7 billion in new resources that can be used to modernize and expand broadband infrastructure from yesterday's copper-line systems to 21st

Century fiber-optic cable able to handle the significantly higher 100/100 Mbps speeds needed today.

Approved: Extension of CARES Act Resources For Another Year. The CARES Act established a \$150 billion relief fund for state and local governments. Because of the flexibility provided in last spring's relief legislation on how state and local governments could spend these resources, many of them sensibly used these funds to pay for broadband infrastructure projects to keep their communities connected during the pandemic. Under the original law, the resources were to be cut off on December 30, 2020. NUCA's work over the last few weeks convinced Congress to extend the availability of these resources for an entire year, now until the end of December 2021.

Approved: Water Resources Development Act (WRDA). This bi-partisan NUCA priority was included in this legislation. WRDA would authorize almost \$10 billion in federal funding for infrastructure projects that will improve America's ports, harbors, and inland waterways. NUCA fully supports these U.S. Corps of Engineer projects and will work with Congress in 2021 to expand this funding resource to repair and replace more of America's dilapidated water and wastewater infrastructure.

Approved: Improved Pipeline Safety Requirements. NUCA supported reauthorization of the USDOT Pipeline and Hazardous Materials Safety Administration (PHMSA) in this legislation. Our industry also supported the bill's provisions requiring gas distribution operators to identify, manage and update their records and maps. These records are vital to not only federal and state pipeline inspectors, but utility contractors who use these maps when digging. The omnibus/Covid-19 bill also requires PHMSA to send a report to Congress describing the industry's progress in completing pipeline safety management systems (SMS). NUCA, like others in the pipeline construction industry, embrace the SMS concept but do not support mandated SMS approaches by regulators.

"Our utility contractors depend on federal government resources to build and repair community infrastructure. Congress recognized that additional resources are required to expand broadband communications. The pandemic economy's heavy reliance on Internet services made the shortfalls of our current system painfully obvious," said NUCA Government Relations Committee chairman Tom Butler.

It took months of advocacy by both NUCA's government affairs department and NUCA's membership to advance these critical topics in the legislative arena. And while nothing is certain in Congress at the end of a legislative session in December, we are very thankful that both the U.S. House and Senate saw the need for these resources and improvements to improve America's communities and our beleaguered economy.

###

About The National Utility Contractors Association (NUCA)

Founded in 1964, the National Utility Contractors Association represents nearly 1,700 U.S. utility and excavation contractors, manufacturers, and suppliers who provide the materials and workforce to build and maintain our nation's intricate network of water, sewer, gas, telecommunications, and electric infrastructure. NUCA is found online at www.nuca.com, and can be followed on Twitter at **@NUCA_National**. The association's Twitter hashtags are #WeDigAmerica and #NUCADigs.