

PCCA Government and Industry Affairs Roundtable


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March 8, 2022

Scottsdale, Arizona



Overview

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- ▶ **Labor Policy and Impacts on Broadband/Power Construction Projects**
 - ▶ **Implementation of IIJA**
 - ▶ **NTCA – The Rural Broadband Association**
 - ▶ **Description of Federal Broadband Funding Programs**
 - ▶ **Daryl Bouwkamp, Vermeer Corp.**
 - ▶ **Supply Chain Challenges and Possible Remedies**
 - ▶ **Plastics Pipe Institute – P&C Division**



Panelists

- ▶ **Steve Sellenriek, Sellenriek Construction**
- ▶ **Dan Levac, Preformed Line Products**
- ▶ **Jerrod Henschel, Equix Inc.**
- ▶ **Patrick Vibien, PPI, Power & Communication Div.**
- ▶ **Daryl Bouwkamp, Vermeer**
- ▶ **Josh Seidemann, NTCA – The Rural Broadband Association**
- ▶ **Jaime Steve, PCCA**
- ▶ **Eben Wyman, PCCA (Moderator)**

Labor Policy and Potential Impacts

- ▶ **IIJA Provisions**
- ▶ **Build Back Better**
- ▶ **Biden EO on PLAs**
- ▶ **Other WH policy favoring union labor**
- ▶ **Discussion with Broadband Associations**



Labor Policy and Potential Impacts

► Specifics on Biden EO

- Impacts direct contracts w/fed agencies
- State and local projects receiving federal dollars under IIJA and other bills are not subject to EO b/c funding from NTIA will be administered by states
- RUS ReConnect not subject to EO but problems w/'encouraging' PLAs and other labor policy remain
- Even EPA water projects not covered by EO



Labor Policy and Potential Impacts

▶ Specifics on Biden EO

- ▶ Allows all contractors and subs to bid
- ▶ Guarantees against strikes, lockouts, etc.
- ▶ Other labor management procedures for resolving disputes

▶ Exception to PLA Requirement

- ▶ PLA would not advance government's interest in achieving efficiency in procurement
- ▶ PLA would substantially reduce number of bidders
- ▶ PLA would otherwise be inconsistent with statutes, regs or other EOs



Labor Policy and Potential Impacts

▶ Specifics on Biden EO

- ▶ EO must go through rulemaking process (FAR)
 - ▶ Collect information
 - ▶ Proposed Rule, comment period, Final Rule
 - ▶ Process will take months, possibly past 2022 midterms
- ▶ Litigation likely
 - ▶ Merit-shop contractors and “standing” in court
 - ▶ Amicus briefs
- ▶ Industry talking w/state AGs, but scope of EO presents standing w/many AGs



Josh Seidemann

NTCA – The Rural Broadband Association





Implementation of IIJA

- ▶ **\$42 billion for broadband deployment (construction)**
- ▶ **Funds distributed through the states**
- ▶ **Speed thresholds now 100/20 Mbps (up from 25/3)**
- ▶ **Process to allocate funds needs work**
- ▶ **PCCA identifying “champions” on Cap Hill to support PCCA positions**

Current Federal Broadband Funding Programs

▶ NTIA

- ▶ \$42.5 billion for states – ‘unserved, underserved and community anchor institutions
- ▶ Digital Equity Act - \$2.75 billion to promote ‘digital inclusion and equity’
- ▶ Middle Mile Broadband - \$1 billion to expand middle mile inclusion
- ▶ PABs - \$600 million

▶ FCC

- ▶ USF
- ▶ RDOF -- \$20.4 billion over 10 years
 - ▶ \$9.2 billion (Phase I)
 - ▶ \$11.2 billion – (Phase II)

▶ DOA / RUS

- ▶ ReConnect Loan & Grant Program -- \$635M in 2021 ; \$1.9B in 2022

▶ US Treasury: American Rescue Plan

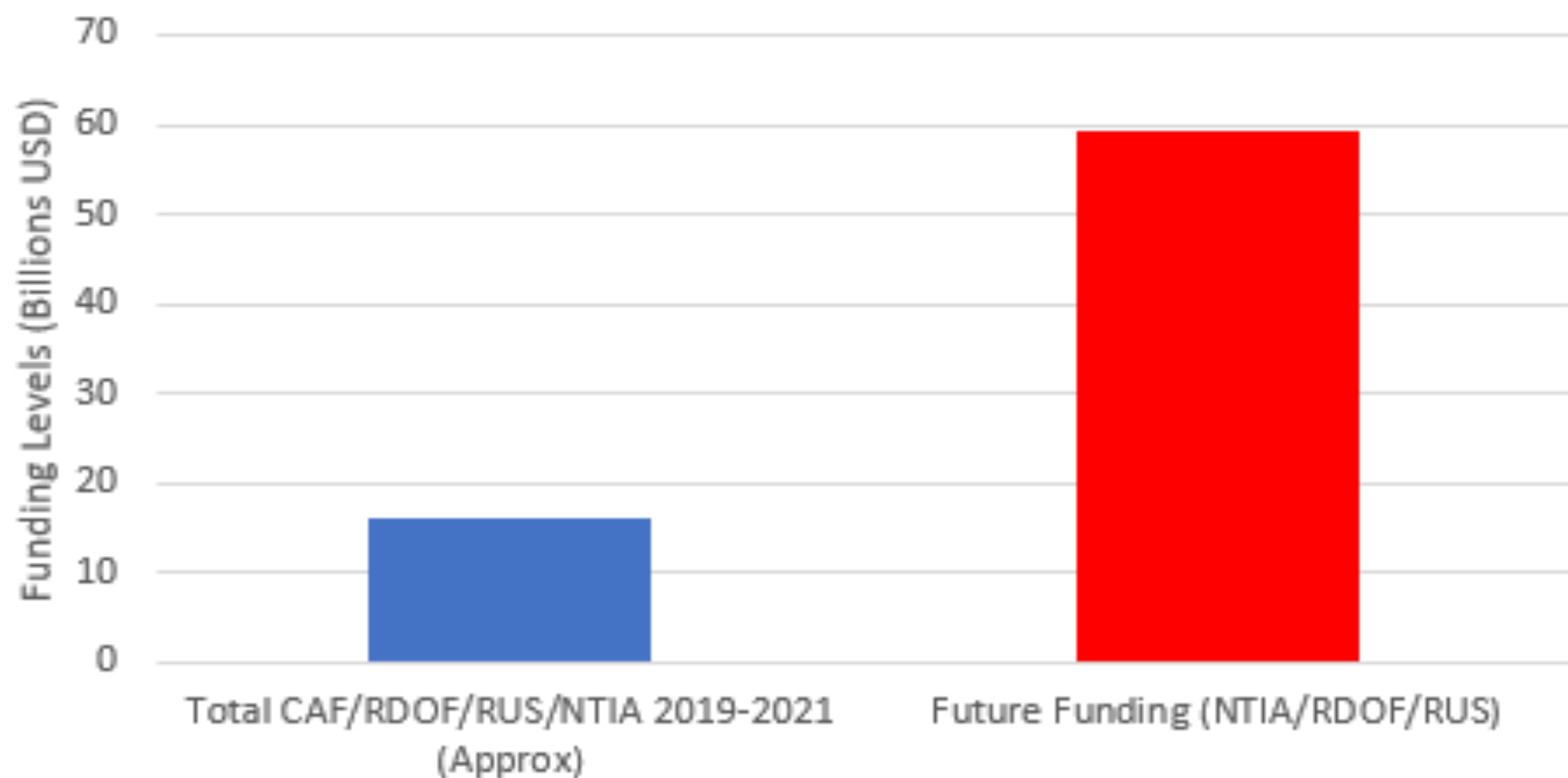




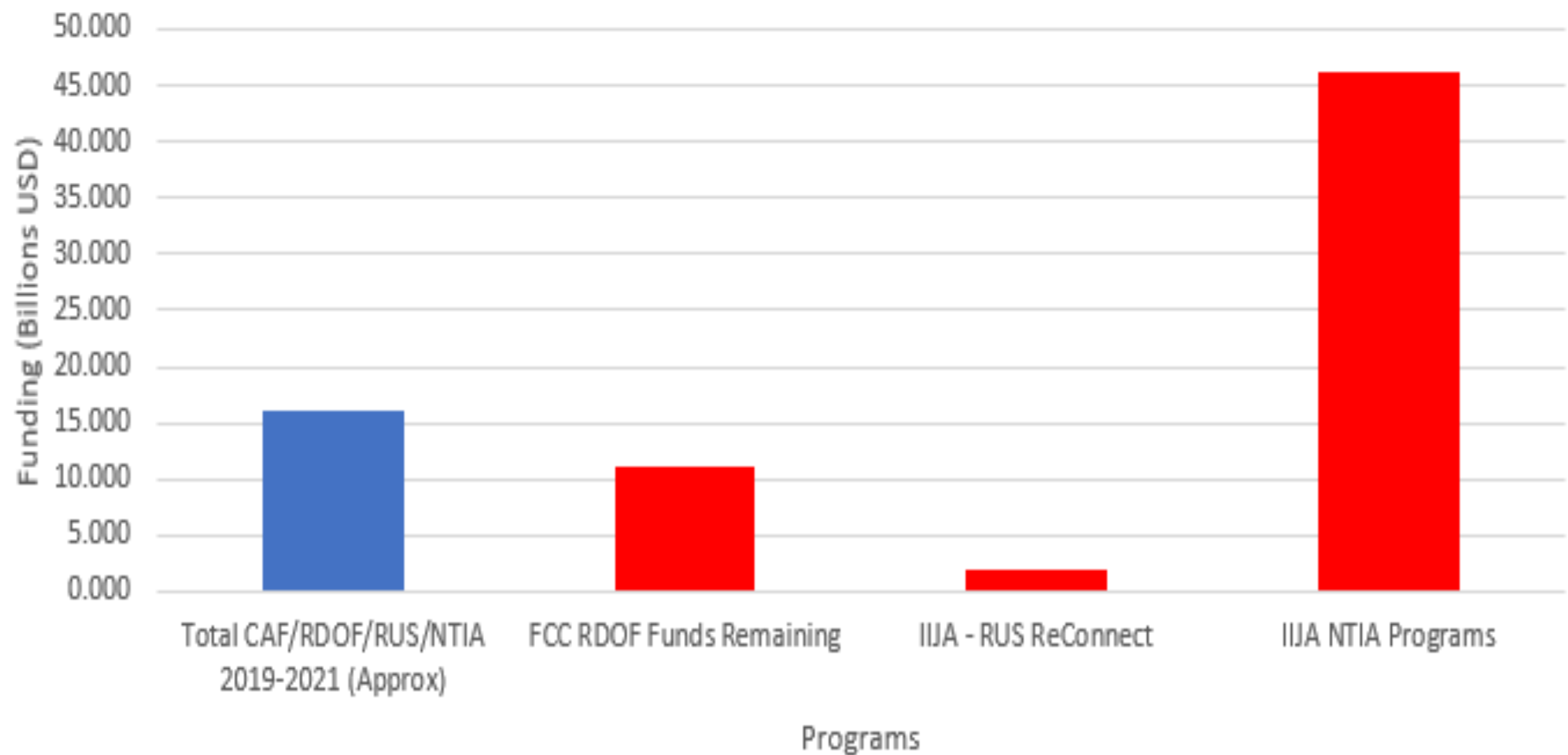
Broadband Funding Programs

- ▶ Excel spreadsheet will be provided on PCCA website
- ▶ Agency, Name of Fund, Description, Funding Levels, Deadlines
- ▶ PCCA Position
- ▶ Tabs to describe yearly allocation
- ▶ Will be updated as new info comes in

Comparison of Federal Broadband Funding



Comparison of Federal Broadband Funding



Daryl Bouwkamp Vermeer Corporation



Patrick Vibien – Plastics Pipe Institute Power and Communications Division

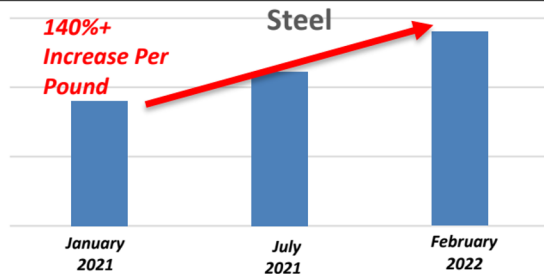


Raw Materials' Pricing

Over the past year, we have seen a large increase in the prices of raw materials associated with some of its largest moving products. The charts below show price changes over the past year.

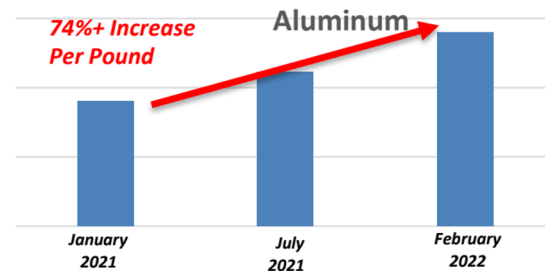
Steel

The cost of Steel purchased increased over **140%** in the past year.



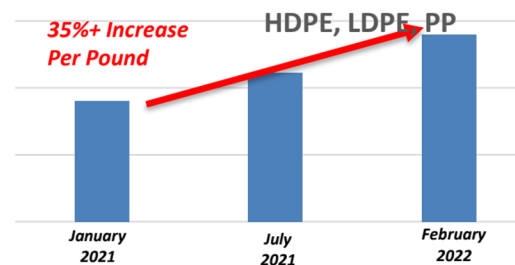
Aluminum

The cost of Aluminum purchased increased over **74%** over the past year.



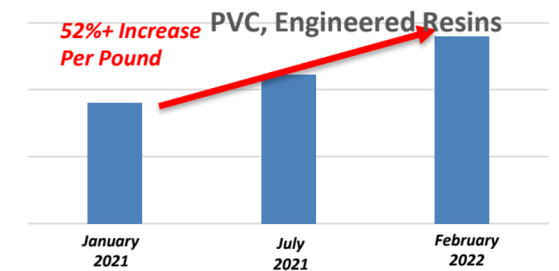
HDPE, LDPE, PP

The cost of HDPE, LDPE, and PP purchased increased over **35%** over the past year.








PVC, Engineered Resins

The cost of PVC purchased increased over **52%** over the past year.



Freight Pricing

Over the past two years, the industry has seen a large increase in the transportation cost associated with raw materials and finished goods. Freight Costs are up more than 25% from a year prior and are anticipated to go up as much as 15% in 2022, impacting both inbound and outbound shipping.

INDUSTRY TRENDS		WEEK FEB 14 - FEB 20 VS. FEB 07 - FEB 13	MONTH JAN 2022 VS. DEC 2021	YEAR JAN 2022 VS. JAN 2021
	Spot Load Posts ⓘ	-0.8%	+37.4%	+104.7%
	Spot Truck Posts ⓘ	+0.5%	-11.2%	-2.3%
	Van Load-To-Truck ⓘ	-9.7%	+43.5%	+119.8%
	Van Spot Rates ⓘ	+0.3%	+3.6%	+31.5%
	Flatbed Load-To-Truck ⓘ	+14.0%	+69.9%	+81.3%
	Flatbed Spot Rates ⓘ	+0.1%	+1.8%	+25.6%
	Reefer Load-To-Truck ⓘ	-19.3%	+45.7%	+150.7%
	Reefer Spot Rates ⓘ	-0.5%	+3.3%	+37.9%
	Fuel Prices ⓘ	+1.7%	+2.3%	+38.9%

Freightos Baltic Index (FBX) Global Container Index

Year on Year: FBX Global Container Freight Index

18-Feb-22

This year
Last year



FCC/RUS Precision Ag Task Force

Todd E. Myers

Kenneth G. Myers
Construction
Company



FCC BDAC – Job Skills Working Group

Steve Sellenriek

Sellenriek Construction





Thank You PCCA Members