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## Still Awaiting That \$1 Trillion-Dollar Infrastructure Bill

CONSTRUCTION

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A few months ago, I wrote an article, [Questions Remain on the Trump Administration's Infrastructure Plans](#). As we approach autumn, many questions remain and we await a formally issued plan. That now is beginning to manifest itself as a significant decline in the level of borrowing by state and local governments that issue various types of bonds to fund ongoing improvement to infrastructure. An article by Robin Respaut and Hilary Russ from [Thomson Reuters](#) noted that “through July [2017], new municipal deals to fund transportation, utilities and power projects totaled \$50.7 billion, down 19.4% from the same period last year.”

So what does that mean to construction companies? It will likely translate into a slowdown in the awarding of new projects, which can impact a company's backlog as a result of longer awarding cycles as state and local agencies await further information about whether the federal government will provide more funding. Thomson Reuters quoted James Grabovac, a managing director of McDonnell Investment Management, as saying that state and local governments are “reluctant to engage in long-term infrastructure financing given that there's a promise of a trillion-dollar federal investment program somewhere on the horizon.”

Companies should have proactive dialogue with their public customers, to understand if a project has funding or if the funding will be subject to the potential “trillion dollar infrastructure” plan. In addition, make sure your bid language includes the appropriate caveats, since it could be much longer between bid and award, which could result in your company absorbing additional material, labor or other costs as time goes on.

As we head into autumn and the return of Congress after the summer recess, hopefully, the infrastructure bill will be one of their priorities - to address our country's long-term infrastructure needs.

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