



January 6, 2020

FY20 APPROPRIATIONS BILLS INCLUDE KEY FUNDING FOR EPA'S SRF PROGRAMS

As reported in the December 26, 2019 CWCC Report, the House and Senate passed two bills that will allocate \$1.4 T to fund the federal government nearly three months after FY 2020 began. The measure was sent to President Trump for his signature, thus avoiding a post-Dec. 20th shutdown. These bills fund operations of the federal government for the remainder of the Fiscal Year that ends September 30, 2020 after months of negotiations and two continuing resolutions.

Included in this funding breakthrough is substantial EPA funding for a variety of CWCC program priorities. Notably, FY20 Water Appropriations highlights include:

- **Clean Water SRF** - \$1,639 billion (versus \$1,394 billion enacted in FY19);
- **Safe Drinking Water SRF** - \$1,126 billion (versus \$864 million enacted in FY19);
- **WIFIA** - \$60 million;
- \$28 million for **Sewer Overflow and Stormwater Control Grants**; and
- \$1 million for the **Water Workforce and Infrastructure and Utility Development Grants**; as well as language to ensure timely implementation of the Integrated Planning Clean Water Act Amendment that passed in January.

In June and September, the House and Senate passed different FY20 Interior Appropriations bills that were ultimately merged into the final bill reported above. Initially for the Clean Water SRF, the House called for \$1.81B, compared to the Senate's \$1.638B. For the Safe Drinking Water SRF, the House called for \$1.3B whereas the Senate appropriated \$1.13B, and for WIFIA, the House allocated just \$50M compared to the Senate's \$65 M.

Also included in the FY 20 Appropriations bills is funding for the Reclamation Program Funding (AKA "Title XVI") of which \$20M is for the Title XVI WIIN grant program and \$43.6M for Title XVI (WaterSMART) grants and \$134M for Water Storage Projects. For more information on these programs please see <https://www.usbr.gov/main/programs/>

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Robert Briant, Jr. – Chairman

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* Steering Committee Member



2020 FEDERAL INFRASTRUCTURE OUTLOOK

In one word: unclear. As outlined in the attached report from Key Advocates, sources are mixed on whether there is any chance for a broader infrastructure package pending the fallout from the impeachment process and of course, highly dependent on the November election.

A bright spot is that in the fall T&I Committee Chairman DeFazio briefed the House Democratic Caucus on his outline for an infrastructure package. The broad package of spending priorities includes, highways, transit, airports, water, clean water, dredging and other infrastructure priorities. No price tag or specific details were released. Other than that, no substantive activity other than for a few meetings USDOT had with OMB on its proposed outline of principals.

The Key Advocates report includes a prospectus for 2020 for key legislation being tracked and promoted by the CWCC including:

- S. 1932, "Drought Resiliency and Water Supply Infrastructure Act"
- H.R. 1162, the "Water Recycling Investment and Improvement Act"
- H.R. 2473, "Securing Access for the Central Valley and Enhancing (SAVE) Water Resources Act"
- H.R.1497, the "Water Quality Protection and Job Creation Act of 2019"
- Huffman Omnibus Water Bill
- H.R. 2741, the "Leading Infrastructure for Tomorrow's American Act" (the "Lift America Act")

PREPARATIONS FOR WATER WEEK 2020

The CWCC will again join with 30+ partnering / supporting organizations for Water Week 2020. Official details, including downtown lodging options, will be released **by the end of January** and will be sent out to Coalition members immediately. CWCC will be an official sponsor of this event.

Water Week has three primary events, a Policy Fly-In (Plenary Sessions / Program Updates), a Joint Congressional Briefing and a Congressional Reception. With new information from the sponsoring organizations, we anticipate the formal events around Water Week 2020 to look something like this:

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- Tuesday, April 28th
 - CWCC Member Event (EARLY AM)
 - Hill Visits (LATE AM – AFTERNOON)
- Wednesday, April 29th
 - National Water Policy Fly-In
 - Water Week Congressional Reception (PM)
- Thursday, April 30th
 - National Water Policy Fly-In Continued (EARLY AM)
 - Joint Congressional Briefing (LATE AM)
 - Hill Visits (AFTERNOON)

You can review this website with resources from events related to the 2019 Water Week:
<https://www.waterweek.us/>

One early lodging option is the Hotel Lombardy. It is located on Pennsylvania Ave and from all reports a nice boutique hotel. Thanks to UCA – IL’s Mike Wiedmaier, they have extended to CWCC members the same rate as last year for Water week of \$289.00 plus tax. You can access this rate by following this link:

https://bookings.hotellombardy.com/reservation/roomdetails/139725?rooms=1&adults_1=1&checkin=20200426&checkout=20200503&bookingcode=61V2I8

KEY ADVOCATES REPORT

Included with this notice is Key Advocates recent report which is current to the end of December.



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January 2020 Insights

Infrastructure

This Year: Action unclear at this time. Our sources say that the President would like to do a bill in the spring (pending the fallout from the impeachment process) but is publicly saying after the election; DOT wants to do a bill in the spring; same with House Democrats; Senate Republicans are silent, EPW Chairman Barrasso standing behind his proposal that has not been released; Senate Democrats are also silent standing behind their \$10T Jan 2019 proposal; and, House Republicans are waiting on a cue from the White House.

To review, on Nov. 13, T&I Committee Chairman DeFazio briefed the House Democratic Caucus on his outline for an infrastructure package. The broad package of spending priorities includes, highways, transit, airports, water, clean water, dredging and other infrastructure priorities. No price tag or specific details were released. Other than that, no substantive activity other than for a few meetings DOT had with OMB on its proposed outline of principals.

S. 1932, “Drought Resiliency and Water Supply Infrastructure Act”

This Year: Per John Watts (Sen. Feinstein), goals are Senate Energy and Natural Resources Committee markup, Floor passage, and congressional enactment.

To review, introduced on June 20 by Senator Cory Gardner (R-CO) with cosponsors Senators Feinstein, McSally (R-AZ), Sinema (D-AZ) and Rosen (D-NV). The bill was referred to the Energy and Natural Resources Committee. McSally is the Chair of its Water and Power Subcommittee. Gardner is a member of the Subcommittee. Feinstein and Sinema are not on the Committee. The bill would authorize for FY19-24 \$670M for surface and groundwater storage projects, \$100M for water recycling projects, and \$60M for desalination projects. It would also create a new loan program at 30-year Treasury rates for water supply projects known as the Reclamation Infrastructure Finance and Innovation Act (RIFIA). The \$150M authorized for the program would make available \$8 to \$12B in lending authority for the low interest loans. The loans would use existing criteria under the WIFIA program, with projects for funding to be recommended by the Bureau of Reclamation, and with the loans to be administered by EPA. The bill would also authorize \$140M for restoration and environmental compliance projects. The bill provides offsets, one of which is a process to de-authorize inactive water recycling projects – projects for which no Federal or sponsor funds were spent on construction in the past 10 years, with an allowance of two and one-half years to spend funds to prevent de-authorization.

H.R. 1162, the “Water Recycling Investment and Improvement Act”

This Year: Per Joe Sheehy (Cong. Napolitano), goals are Committee on Natural Resources markup, House passage either as a stand-alone bill or part of an omnibus water bill, and congressional enactment.

To review, on Feb.13, Congresswoman Napolitano introduced the bill (with 17 cosponsors, now 26– all Dems) which the Coalition supports. The Coalition supported her bill last Congress. Two changes were made from last year’s version: the EPA grant program was dropped so the focus could be on Title XVI; and, the cap on the Federal share for individual projects was increased from \$20M to \$30M. Per the Congresswoman’s office, the following summary was provided:

- Increases the WIIN Act authorization for Title XVI from \$50 million to \$500 million
- Makes the WIIN Act Title XVI program permanent as it currently expires in 2021.
- Strikes the requirement that projects must be in drought or disaster areas
- Strikes the requirement that the projects need to be designated in an appropriations legislation
- Increase the limitation on the federal share of individual Title XVI projects from the current \$20 million in October 1996 prices to \$30 million in January 2019 prices.

Does not change the 25% federal cost share.

On June 13, the Subcommittee on Water, Oceans, and Wildlife (WOW) of the Natural Resources Committee held a hearing on the bill.

H.R. 2473, “Securing Access for the Central Valley and Enhancing (SAVE) Water Resources Act

This Year: Per Logan Ferree (Cong. Huffman), goal is to have some portion of the bill – unclear at this time – included in an omnibus water bill.

To review, introduced on May 2 by Congressman Josh Harder (D-CA-10) with 7 cosponsors. The bill provides \$100M for Title XVI WIIN grants from deposits made to the Reclamation Fund; authorizes \$150M for a reclamation infrastructure finance and innovation pilot program; increases the current Title XVI WIIN grant authorization from \$50M to \$500M (the same increase as in Cong. Napolitano’s H.R. 1162) and raises the Federal share cap from \$20M to \$30M; and, establishes a water technology investment program to expand use of technology for improving the availability and resiliency of water supplies and power delivers, and authorizes \$5M per fiscal year for the program. On June 13, the Subcommittee on Water, Oceans, and Wildlife (WOW) of the Natural Resources Committee held a hearing on the bill.

DeFazio H.R.1497, the “Water Quality Protection and Job Creation Act of 2019.”

This Year: Goals are House passage early in the year and congressional enactment.

To review, on March 10 Chair DeFazio, Subcommittee Chair Napolitano, and Representatives Don Young and John Katko introduced the above bill (now with 52 cosponsors) which was amended in markup to authorize \$14B over the next five fiscal years for the CWSRF, \$1.125B for overflow and sewer grants, \$1.295B for state water pollution control programs, \$110M for innovative water grants, and \$150M for alternative water source projects. A Coalition support letter was submitted.

Huffman Omnibus Water Bill

This Year: Per Matthew Marragui (Natural Resources Committee), goals are to have the bill introduced, marked up, passed by the House and enacted into law.

To review, Congressman Jared Huffman (D-CA-2), Chair of the Water, Oceans and Wildlife Subcommittee of the Natural Resources Committee, is currently drafting, in conjunction with the Committee, an omnibus water bill (content unclear at this time). As of Dec. 13, per Logan Ferree, still delayed because of some technical aspects that need to be worked out.

H.R. 2741, the “Leading Infrastructure for Tomorrow’s American Act” (the “Lift America Act”)

This Year: action unclear at this time – markup, House passage, enactment?

The bill requires the EPA to establish a program to award grants up to \$2.5 billion over five years to water systems affected by contamination. The legislation directs EPA to create a list of eligible drinking water treatment technologies. It extends and increases authorizations of \$18.69 billion for essential drinking water programs including the Safe Drinking Water State Revolving Loan Fund, the Indian Reservation Drinking Water Program, School and Child Care Program Lead Testing grants, Lead Drinking Fountain Replacement, Community Water System Risk and Resilience grants, and Public Water System Supervision grants to states. This subtitle also extends Buy American requirements for drinking water projects. On May 22, the Energy and Commerce Committee held a hearing on the bill.

S.1689, “The Water Infrastructure Funding Transfer Act”

As a review, signed into law by the President on Oct. 4. Originally introduced by Senator Booker (D-NJ). The Coalition submitted a letter to the President, with copies to Mick Mulvaney, Chief of Staff, and Andrew Wheeler, Administrator, EPA, urging the President to sign the bill into law. The bill allows states for one year to transfer amounts from their clean water state revolving fund to their drinking water state revolving fund in order to address a threat to public health as a result of heightened exposure to lead in drinking water.

Senate Environment and Public Works Committee Highway Bill

This Year: FAST Act reauthorization required by Sept. 30 when current program expires. Senate EPW has reported its version of the bill (see below). Other Senate committees that need to act include Banking (mass transit), Commerce (trucking, rail and safety), and Finance (how to pay for the bill). House T&I working on a draft. Other House committees that need to act include Energy and Commerce (safety) and Ways and Means (how to pay for the bill).

To review, the EPW bipartisan bill would authorize \$287 billion in highway spending, 90-percent of which would be distributed to the states by formula. The bill also features a title on climate change, which would authorize \$10.8 billion for various programs addressing resiliency and other climate issues over the next five fiscal years. That includes \$1 billion for electric, hydrogen, and natural gas vehicle charging and fueling stations. It would also provide billions for programs aimed at curbing emissions and reducing congestion and truck idling. The legislation would also streamline infrastructure permitting and set a two-year target for environmental

reviews. Lastly, the bill would authorize \$12.5 million per year to fund state and regional pilot testing of user-based alternative revenue mechanisms to the gas tax.

FY20 Appropriations in General

This month the President signed into law two funding measures that together contain the 12 FY20 appropriations bills. The first package, H.R. 1158, includes measures for Defense, Commerce, Financial Services and Homeland Security. The second package, H.R. 1865, includes measure for Education, Agriculture, Energy and Water, Interior, Legislative Branch, Military Construction, Veterans, State, Foreign Operations and Transportation.

FY20 Water Appropriations Highlights

- Clean Water SRF - \$1,639 billion (versus \$1,394 billion FY19 enacted)
- Safe Drinking Water SRF - \$1,126 billion (versus \$864 million FY19 enacted)
- Title XVI WIIN Grants - \$20 million (same as FY19 enacted)

FY20 Transportation Appropriations Highlights

- BUILD Grants – \$1 billion.
- Highways – \$46.3 billion, \$781 million for the Surface Transportation Block Grant funds and infrastructure along alternative fuel corridors, \$1.15 billion for bridge repair and rehabilitation, \$100 million for the Appalachian Development Highway System, \$70 million for the Nationally Significant Federal Lands and Tribal Projects grant program, and \$50 million for highway-rail grade crossing grants.
- Aviation – \$17.6 billion for the FAA and fully funds for the Essential Air Service program.
- Rail – \$2 billion for Amtrak, \$255 million for Consolidated Rail Infrastructure and Safety Improvement grants, \$300 million for State of Good Repair grants, and \$2 million each for MagLev grants and Restoration and Enhancement grants.
- Transit – Transit formula grants total \$10.1 billion, \$510 million for transit infrastructure grants. and \$1.978 billion for Capital Investment Grants, fully funding all current “Full Funding Grant Agreement” transit projects as well as new projects that have met the program criteria.
- Maritime – \$1 billion for the Maritime Administration to increase the productivity, efficiency, and safety of the nation’s ports and intermodal water and land transportation.
- Safety – \$989 million for the NHTSA, \$679 million for the Federal Motor Carrier Safety Administration, and \$281 million for the Pipeline and Hazardous Materials Safety Administration to help address safety concerns related to recent pipeline and crude oil by rail accidents.

Bill Tracking

H.R.4687 — 116th Congress (2019-2020)

SMART Infrastructure Act

Sponsor: Rep. Rouda, Harley [D-CA-48] (Introduced 10/16/2019) **Cosponsors:** (3)

Committees: Transportation and Infrastructure; Science, Space, and Technology; Agriculture; Energy and Commerce

H.R. 4780, the “National Infrastructure Investment Corporation Act of 2019” Introduced by Congressman Salud Carbajal (D-CA-24). The bill would finance infrastructure projects via loans from pension fund loans to the Corporation. No federal funds would be involved and there would be enhanced congressional oversight – majority of the Board appointed by Congress, Member input in project selection, annual audits, GAO five- year review, congressional review of selected projects, etc. Modeled after TIFIA. The Coalition received a request from Carbajal’s office for support of the legislation.

S.352 — 116th Congress (2019-2020)

BUILD Act

Sponsor: Sen. Cornyn, John [R-TX] (Introduced 02/06/2019) **Cosponsors:** (1)

Committees: Finance Increases from \$15 billion to \$20.8 billion the national limitation on the amount of tax-exempt highway or surface freight transfer facility bonds.

H.R.180 — 116th Congress (2019-2020)

Build America Act of 2019

Sponsor: Rep. Hastings, Alcee L. [D-FL-20] (Introduced 01/03/2019) **Cosponsors:** (7, now 10)

Committees: Transportation and Infrastructure and Ways and Means Directs the Department of Transportation (DOT) to carry out a national infrastructure investment grant program for capital investments in surface transportation infrastructure. Projects eligible for funding under the program include, at a minimum, highway and bridge projects, public transportation projects, passenger and freight rail transportation projects, and port infrastructure investments. In distributing grants under the program, DOT shall ensure an equitable geographic distribution of funds, an appropriate balance in addressing the needs of urban and rural areas, and investment in a variety of transportation modes. At least 20% of grant funds must be set aside for projects in rural areas. The bill amends the Internal Revenue Code to: (1) establish a National Infrastructure Investment Trust Fund, and (2) increase the tax on gasoline other than aviation gasoline and on diesel fuel or kerosene.

S.146 — 116th Congress (2019-2020)

Move America Act of 2019

Sponsor: Sen. Hoeven, John [R-ND] (Introduced 01/16/2019) **Cosponsors:** (1)

Committees: Finance Allows tax exempt Move America bonds and Move America tax credits to be used for certain infrastructure projects. A Move America bond is treated as a tax-exempt private facility bond with certain exceptions. At least 95% of the net proceeds from the issuance of the bond must be used for infrastructure projects. The bill specifies exceptions and modifications to existing rules for bonds regarding land acquisition, government ownership,

rehabilitation expenditures, and the alternative minimum tax. The bonds are subject to a volume cap equal to 50% of a state's current private activity bond volume cap. States may exchange all or a portion of the volume cap for Move America tax credits to be allocated to taxpayers. The credits include (1) an equity credit for a portion of the basis of each qualified facility; and (2) an infrastructure fund credit for investments in qualified infrastructure funds, including a state infrastructure bank, a water pollution control revolving fund, or a drinking water treatment revolving loan fund.

H.R.658 — 116th Congress (2019-2020)

National Infrastructure Development Bank Act of 2019

Sponsor: Rep. DeLauro, Rosa L. [D-CT-3] (Introduced 01/17/2019) Cosponsors: (60, now 61)
Committees: Energy and Commerce, Transportation and Infrastructure, Financial Services and Ways and Means

S.353 — 116th Congress (2019-2020)

RAPID Act

Sponsor: Sen. Cornyn, John [R-TX] (Introduced 02/06/2019) Cosponsors: (1)
Committees: Environment and Public Works This bill revises the transportation infrastructure finance and innovation (TIFIA) program to (1) require program applicants to obtain investment grade ratings from at least two credit rating agencies, unless the federal credit instrument is less than \$150 million (currently, less than \$75 million), in which case one rating will suffice; (2) require the Department of Transportation (DOT) to implement an expedited decision timeline for public agency borrowers seeking secured loans; and (3) require DOT to publish status reports on program applications on the TIFIA website.

S.403 — 116th Congress (2019-2020)

IMAGINE Act

Sponsor: Sen. Whitehouse, Sheldon [D-RI] (Introduced 02/07/2019) Cosponsors: (5, now 7)
Committees: Environment and Public Works

H.R.228 — 116th Congress (2019-2020)

Increase Transportation Alternatives Investment Act of 2019

Sponsor: Rep. Velazquez, Nydia M. [D-NY-7] (Introduced 01/03/2019) Cosponsors: (2) Committees: Transportation and Infrastructure Directs the Department of Transportation (DOT) to ensure that states give preference under the Surface Transportation Block Grant Program to eligible projects that (1) are located in areas that are undergoing extensive repair or reconstruction of transportation infrastructure, including federal-aid highways, federally owned roads open for public travel, passenger rail facilities, and public transportation facilities; and (2) will provide transportation alternatives related to the closure of transportation infrastructure in such areas. DOT shall (1) carry out a competitive grant program to support community efforts to invest in transportation alternatives; and (2) give preference in awarding grants to projects located in such areas. Entities eligible for grants include state and local governments, metropolitan planning organizations, and rural planning organizations.^[L]_[SEP]

H.R.880 — 116th Congress (2019-2020)

Surface Transportation Investment Act of 2019

Sponsor: Rep. Brownley, Julia [D-CA-26] (Introduced 01/30/2019) Cosponsors: (1)

Committees: Ways and Means and Transportation and Infrastructure. This bill limits or repeals certain tax benefits for major integrated oil companies, including (1) the foreign tax credit for companies that are dual capacity taxpayers, (2) the tax deduction for intangible drilling and development costs, (3) the percentage depletion allowance for oil and gas wells, and (4) the tax deduction for qualified tertiary injectant expenses.

The bill modifies the definition of "major integrated oil company" to include certain successors in interest that control more than 50% of the crude oil production or natural gas production of the company. The bill establishes a Transportation Block Grant Fund and appropriates to the fund amounts equal to the increase in revenues as a result of this bill. The funds must be used for making grants under the Surface Transportation Block Grant Program.

H.R.1586 — 116th Congress (2019-2020)

BRIDGE Act of 2019

Sponsor: Rep. Butterfield, G. K. [D-NC-1] (Introduced 03/07/2019) Cosponsors: (3, now 6)

Committees: House - Energy and Commerce, Education and Labor

S.1518 — 116th Congress (2019-2020) **Rebuild America Now Act**

Sponsor: Sen. Sullivan, Dan [R-AK] (Introduced 05/16/2019) Cosponsors: (4)

Committee: Environment and Public Works. To improve the processes by which environmental documents are prepared and permits and applications are processed and regulated by Federal departments and agencies, and for other purposes.

H.R.3134 — 116th Congress (2019-2020) **To direct the Secretary of Transportation to assist States to rehabilitate or replace certain bridges, and for other purposes.** Sponsor: Rep. Langevin, James R. [D-RI-2] (Introduced 06/05/2019) Cosponsors: (2)

Committee: Transportation and Infrastructure. To direct the Secretary of Transportation to assist States to rehabilitate or replace certain bridges, and for other purposes.

S.611 — 116th Congress (2019-2020)

Water Affordability, Transparency, Equity, Reliability Act of 2019

Sponsor: Sen. Sanders, Bernard [I-VT] (Introduced 02/28/2019) Cosponsors: (2, now 3)

Committees: Environment and Public Works

H.R.1764 — 116th Congress (2019-2020)

To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.

Sponsor: Rep. Garamendi, John [D-CA-3] (Introduced 03/14/2019) Cosponsors: (8, now 10)

Committees: House - Transportation and Infrastructure