



CWCC

Clean Water Construction Coalition
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ROBERT A. BRIANT, JR.
Chairman

February 6, 2018

- AGC of America
- AGC of Texas
- Alabama Utility Contractors Association
- Arizona Utility Contractors Association
- Associated Pennsylvania Constructors
- Associated Utility Contractors Of Maryland *
- Connecticut Construction Industries Association
- CIC of Westchester County & Hudson Valley *
- Engineering Contractors Association
- General Contractors Association Of New York
- Georgia Utility Contractors Association
- Indiana Constructors Inc.
- Long Island Contractors Association
- Maryland Transportation Builders & Materials Association
- Michigan Infrastructure & Transportation Association
- Minnesota Utility Contractors Association*
- National Rural Water Association
- New Mexico Utility Contractors Association
- Ohio Contractors Association
- Public Works Contractors Association of Maryland
- Tennessee Road Builders Association
- Underground Contractors Association of Illinois *
- United Contractors *
- UCA of Anne Arundel County
- Utility Contractors Association of New England *
- Utility & Transportation Contractors Association of New Jersey *
- Contractors Association Of West Virginia
- Wisconsin Underground Contractors Association

* Steering Committee Member

STATE OF THE UNION'S NOD TO INFRASTRUCTURE

It came as no surprise to Clean Water Construction Coalition representatives that the President's State of the Union Address included strong language on infrastructure as a national priority. Notably, the President upped the ante from \$1 T to \$1.5 T in total infrastructure spending. The details remain unclear past the principles already reported on by Coalition representatives. In addition to broad statements and general financial goals, the President articulated a priority to improve the permitting and approval process for infrastructure projects. This topic was recently discussed at our Coalition conference call, where members supported working with partners to develop a "red tape" list to accelerate investment in water infrastructure.

SENATE AND HOUSE COMMITTEES-PUBLIC WORKS/TRANSPORTATION

At this time, CWCC representatives are engaged with key officials and staff of relevant committees. Patience with the Administration to roll out the details of the President's proposal is waning. For the time being, Congress appears to be waiting to follow the lead of the President. Further details are included in the attached report from Key Advocates.

FY18 APPROPRIATION STATUS

After a much reported on federal shutdown, the President signed a short-term spending bill, which also provides a six-year extension of the children's health insurance program (CHIP), that will keep the government funded through Feb. 8 at FY17 levels. Actions this week will reveal whether undecided issues like DACA, the wall, border security and immigration reform will result in another shutdown or if a longer-term compromise will emerge. No bills have seen Floor action in either House.

US WATER ALLIANCE RESOURCES

As previously reported, the Coalition has joined the US Water Alliance. Resources can be accessed by following this link: <http://uswateralliance.org/resources>

Notable, Coalition members can join webinars to hear what partners associated with the US Water Alliance are focusing on. Please go to www.uswateralliance.org/events to register.

On February 7th the webinar will focus on capital needs, how they are increasing and how utilities are meeting these challenges in a cost-effective manner. Future webinars will focus on: Public and Private Partnerships, Affordability, Lead Risks, Technology to Increase Efficiency / Service.

KEY ADVOCATES REPORT

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



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February 2018 Insights

Administration Infrastructure Initiative

Publically, the Administration continues committed to a \$1T 10-year infrastructure plan. The expectation is that the President will address infrastructure in his Jan. 30 State of the Union. Not clear whether the formal plan (advertised as a 70-page narrative) will be available before or soon thereafter. A leaked outline purported to be of the plan became available on Jan. 22 (copy provided previously). Briefly, the plan consist of five programs: (1) Infrastructure Incentives Initiative - \$100B for multimodal projects from a wide range of eligible entities, based on certain criteria, with a 20% Federal share cap; (2) Transformative Projects Program - \$20B for innovative projects across a number of modes, with varying percentages of Federal share based on funding tracks and with administration by the Department of Commerce; (3) Rural Infrastructure Program - \$50B for projects in rural areas with a population of less than 50,000, at 80/20 Federal/local share; (4) Federal Credit Programs - \$15B for various Federal loan and loan guarantee programs like TIFIA, WIFIA and RRIF; and, (5) Federal Capital Financing Fund - \$10B to finance purchases of federally owned civilian real property. Changes are also proposed for private activity bonds - broadening categories of public-private infrastructure and removal of state volume caps, etc. Once the Administration's proposal has been formally submitted to Congress, legislative deliberations will then begin in earnest.

State of the Union: Infrastructure

As referenced above, the President said: "As we rebuild our industries, it is also time to rebuild our crumbling infrastructure. America is a nation of builders. We built the Empire State Building in just 1 year -- is it not a disgrace that it can now take 10 years just to get a permit approved for a simple road? I am asking both parties to come together to give us the safe, fast, reliable, and modern infrastructure our economy needs and our people deserve. Tonight, I am calling on the Congress to produce a bill that generates at least \$1.5 trillion for the new infrastructure investment we need. Every Federal dollar should be leveraged by partnering with State and local governments and, where appropriate, tapping into private sector investment -- to permanently fix the infrastructure deficit. Any bill must also streamline the permitting and approval process -- getting it down to no more than two years, and perhaps even one. Together, we can reclaim our building heritage. We will build gleaming new roads, bridges, highways, railways, and waterways across our land. And we will do it with American heart, American hands, and American grit."

Senate Infrastructure Initiatives

Reviewing where we are as Congress anticipates formal submission of the Administration's infrastructure proposal, the work that Senator Barasso, Chair of the Senate and Environment Committee (EPW), was doing regarding an infrastructure proposal focused solely on increased highway spending has come to a halt because of pushback from his own Committee members, including some senior key Republicans, who advocate a broader view of the scope of any infrastructure bill. The response to the Barasso effort by EPW Democrats (\$100B for roads and bridges, \$100B for local priorities, \$10B for TIGER, \$200B for major infrastructure projects, \$110B for drinking and wastewater needs, \$10B for ports, \$60B for Corps projects, \$25B for disasters and \$10B for leveraging projects) never went beyond a letter submission. The effort by Senator Carper, Ranking Member of EPW, regarding a GAO study on state funding via the Clean Water and Safe Drinking Water SRF's never materialized. And, the Senate Democratic leadership proposal (\$1 trillion, 10-year infrastructure plan - \$75 billion for schools, \$210 billion for roads and bridges, \$110 billion for aging water and sewer systems, \$180 billion for expanded rail and bus lines, \$70 billion for deeper ports and upgraded airports, \$100 billion for an updated electrical grid, \$10 billion for VA hospitals, \$20 billion for broadband installations; \$200 billion for unspecified "vital infrastructure projects" and \$10 billion for an infrastructure bank to "unlock" private capital by providing loan guarantees or low-cost loans) has not progressed, at least publicly, beyond the original January 2017 outline.

House Infrastructure Initiatives

We continue to monitor further developments regarding the Energy and Commerce Committee's bipartisan Safe Drinking Water SRF reauthorization bill which likely would seek inclusion in a mega infrastructure bill and "pull with it" reauthorization of the Clean Water SRF. We know that staff discussions continue in the Committee on Transportation and Infrastructure on an infrastructure bill. And we know that Congressman Peter DeFazio (D-OR-4), Ranking Member of the Committee, continues to tout his three major infrastructure bills - highways, aviation and water - with the White House. Also, we continue to await the promised report from the Pelosi appointed "Rebuild America" Task Force on general infrastructure.

Continue to reemphasize with Patrick Arness, LD, Congressman Jerry McNerney (D-CA-9), general support for the Congressman's "WEST" Act (H.R. 3275) but concern for \$375 million Alternate Water Source program included therein regarding project funding eligibility. The bill reauthorizes the Clean Water SRF at \$2 billion for FY18 and \$2.4 billion for FY19 and the Safe Drinking SRF at \$1.2 billion for FY18 and FY19.

Continue to monitor Congressman Earl Blumenauer's (D-OR-3) H.R. 1647, the "Water Infrastructure Trust Fund Act of 2017," The bill establishes a Water Infrastructure Investment Trust Fund and appropriates to it amounts equivalent to voluntary water products related labeling fees received in the Treasury before January 1, 2022, approximately \$7 billion. Enactment of this legislation would be a critical first step in establishing a self-financed national clean water and safe drinking water trust fund.

Continue to monitor Congressman Jeff Denham's (R-CA-10) H.R. 434, the "New WATER Act." The bill is a loan and loan guarantee program with the following concerns that we raised in an email to his staffer, as requested - \$20M de minimus requirement, interest rate not less than the prevailing Treasury rate, and private investors not eligible for funding.

Continue to monitor Congressman John Delaney's (D-MD-6) H.R. 1669, "Partnership to Build American Act of 2017." In part, the bill provides a new loan and loan guarantee program to be administered by a board, not the Federal Government. The bill is silent as to certain specifics – interest rate, project funding size, and Federal share. In comments to the Congressman's staff, as requested, we made the point that we are fine with that so long as the final outcome would not include limitations that constrain the programs applicability and appeal. We did confirm with her that the definition of "private persons" eligible to apply for loans does include private investor owned utilities.

FY18 Appropriations Status

After much public discourse between The White House, congressional Republicans and Democrats, the President signed a short-term spending bill, which also provides a six-year extension of the children's health insurance program (CHIP), that will keep the government funded through Feb. 8 at FY17 levels. Left undecided were DACA, the wall, border security and immigration reform in general. To review, regarding the regular appropriations process, no change since the last report - 8 bills have been reported by both House and Senate Appropriations Committees and 4 by the House Appropriations Committee only. No bills have seen Floor action in either House.

FY18 Interior Appropriations

To review, the House FY18 Interior and Environment Appropriations bill provides \$1,143,887,000 for the Clean Water SRF (compared to \$1,393,887,000 for FY17) and for the Safe Drinking Water SRF, \$863,233,000 (the same amount appropriated for FY17). Also included is \$25M for WIFIA. No action to date in the Senate.

FY18 House and Senate Transportation Appropriations Bills

To review, the Senate bill provides more money than the House bill for a number of programs including FTA's Capital Improvement Grant (CIG) program which funds transit New Start, Small Start, and Core Capacity projects. The Senate bill provides \$2.13B versus the House level of \$1.75B, although less than the current funding of \$2.4B. The Senate funding level, should it prevail in the final bill, is sufficient to fund FY18 grants to all 13 CIG projects (New Starts and Core Capacity) with existing FFGAs and well as approximately \$600M in funding for New Start and Core Capacity projects which expect to sign FFGAs during FY18.

The Senate bill funds the TIGER program at \$550M compared with the House which zeroed out the program as did the Administration in its FY18 budget request. Current funding is \$500M. The Senate bill appropriates the full FY18 FAST Act authorized funding levels for highway and transit formula programs - as does the House bill. Also, the Senate bill funds Amtrak at the full amount authorized in the FAST Act - approximately \$1.6B which includes funding for both the Northeast Corridor and the National Network (long distance lines). The Administration had proposed to eliminate funding for the long distance lines.

Lastly, the Senate includes language increasing the FAA's Passenger Facility Charge (PFC) cap from the current \$4.50 up to \$8.50 for originating airports. However, neither the pending House nor the Senate FAA authorization bills include such an increase. The Senate bill also increases funding for the construction-related Airport Improvement Program (AIP) from the current \$3.35B up to \$3.6B.

<u>Program</u>	<u>Current Funding</u>	<u>Administration FY'18 Request</u>	<u>Pending House FY'18 Bill</u>	<u>Pending Senate FY'18 Bill</u>
Highway Programs	\$43.26B	\$44.23B	\$44.23B	\$44.23B
TIGER	\$500M	\$0	\$0	\$550M
FTA CIG Grants	\$2.41B	\$1.23B	\$1.75B	\$2.13B
FTA Formula Grants	\$9.73B	\$9.73B	\$9.73B	\$9.73B
FAA Airport Improvement Program (AIP)	\$3.35B	\$3.35B	\$3.35B	\$3.60B
Amtrak	\$1.49B	\$760M	\$1.428B	\$1.60B

Hearings

On January 10, the Senate Committee on Environment and Public Works held a hearing entitled, “*America’s Water Infrastructure Needs and Challenges.*” Witnesses were Julie Ufner, Associate Legislative Director, National Association of Counties; Scott Robinson, Port Director, Muskogee City-County Port Authority, Oklahoma; Steve Cochran, Associate Vice-President for Coastal Protection, Environmental Defense Fund & Director, Restore the Mississippi Delta Coalition; William Friedman, Chairman-elect, American Association of Port Authorities; and, Nicole Carter, Natural Resources Policy Specialist, Congressional Research Service.

On January 17, the Subcommittee on Water and Power on the Senate Energy and Natural Resources Committee held a hearing to examine the Bureau of Reclamation’s Title Transfer Process and Potential Benefits to Federal and Non-Federal Stakeholders.

Witnesses were **Austin Ewell**, Deputy Assistant Secretary for Water and Science, U.S. Department of the Interior; **Paul Arrington**, Executive Director, Idaho Water Users Association; **Jerry Brown**, General Manager, Contra Costa Water District; **Mike DeVries**, Director, Provo River Water Users Association; **Jason Phillips**, Chief Executive Officer, Friant Water Authority; **Austin Ewell**, Deputy Assistant Secretary for Water and Science, U.S. Department of the Interior; and, **Paul Arrington**, Executive Director, Idaho Water Users Association.

On January 17, the Senate Committee on Environment and Public Works held a hearing entitled, “*America’s Water Infrastructure Needs and Challenges: Federal Panel.*” Witnesses were Lieutenant General Todd T. Semonite, Chief of engineers and commanding general, U.S. Army Corps of Engineers; and, Ryan Fisher, Principal deputy assistant secretary of the Army (Civil Works) and acting assistant secretary of the Army (Civil Works), United States Department of the Army.

On January 17-18, the House Committee on Rules held hearings on earmarks. See discussion separate heading.

On January 18, the Subcommittee on Water Resources and Environment of the House Committee on Transportation and Infrastructure held a hearing on “*America’s Water Resources Infrastructure: Approaches to Enhanced Project Delivery*” and received testimony from witnesses representing the Army Corps of Engineers (Corps), a non-governmental organization representing project contractors, a regional governmental flood control agency, a real estate services and management company, and the Congressional Research Service.

Earmarks

On Jan. 17-18, the House Rules Committee held hearings on earmarks. The formal title of the hearings was “Article 1: Effective Oversight and the Power of the Purse.” Members of Congress were the witnesses for day one of the hearings. Over 25 testified and the support was overwhelming by both Republicans and Democrats for return of some form of earmarks. Note the following report regarding testimony by Transportation and Infrastructure Committee Chair Bill Shuster:

“A House Rules subcommittee heard from fellow lawmakers Wednesday about potentially bringing earmarks back to life. House Transportation Chairman [Bill Shuster](#) said that lawmakers “have steadily given away more of our power of the purse to the executive branch” over the years. “In the process, we have actually created less transparency and less accountability in how the people's money is spent,” the retiring Pennsylvania Republican said. “Bureaucrats may have good intentions, but they probably have never been to most of our districts, where these tax dollars are coming from or going to.” Shuster also said that the ban on earmarks hasn't reduced federal spending.”

Day two included the following witnesses: James Bass, Executive Director, Texas Dept. of Transportation; Steve Ellis, Vice President, Taxpayers for Common Sense; Jason Grumet, President, Bipartisan Policy Center; Thomas Schatz, President, Citizens Against Government Waste; and, Michael Quinn Sullivan, President and CEO, Empower Texas. Note: the Chairman of the Rules Committee is from Texas; i.e., the Texas witnesses. Note below comments from the “policy” witnesses.

The next step in the process is for the Rules Committee to issue a report. It is expected to include recommendations. Both will be of great interest.

Ellis

History suggests that the return of earmarks would divert needed funds from priority projects to less critical ones and increase the number of lobbyists and campaign cash. But there is little evidence that earmarks break gridlock and reduce the very real ideological divisions we see in today's Congress. In fact, bringing earmarks back may reduce the impetus to obtain more substantive and transformative reforms.

Grumet

Mr. Chairman and members of the Committee, the constitutional prerogative for members to direct resources toward constituent priorities is not a begrudging “skid greasing” to be done in the shadows, but rather a core aspect of our democratic design that members of Congress should pursue openly, proudly and be held accountable for. Congress should rightly reclaim this legitimate legislative tool and establish a transparent and deliberative process that can regain the public trust.

Schatz

Earmarks benefit the few (appropriators, special interests, and lobbyists) at the expense of the many (taxpayers). They contribute to the deficit directly, by tacking on extra funding beyond authorized limits, and indirectly, by being used to buy votes for costly legislation that might not otherwise pass. Earmarks corrupt democracy by superseding more important legislative duties. They are corrupt, inequitable, and wasteful.

Bill Tracking

Note the format per the change in format by the Congress for the listing of bills. More information on each bill will be provided when it becomes available on the official site. Note: summary of subject matter will only appear once. Note further: "Latest Action" will only be included when substantive: hearing, markup, Floor action, etc.

H.R.434 — 115th Congress (2017-2018) **New WATER Act Sponsor:** Rep. Denham, Jeff [R-CA-10] (Introduced 01/11/2017) **Cosponsors:** (9) **Committees:** House - Natural Resources

Status Update: no change since the last report.

H.R.23 — 115th Congress (2017-2018) **Gaining Responsibility on Water Act of 2017 Sponsor:** Rep. Valadao, David G. [R-CA-21] (Introduced 01/03/2017) **Cosponsors:** (14) **Committees:** House - Natural Resources, Agriculture **Latest Action:** Passed House on July 12.

Status Update: no change since the last report.

H.R.465 — 115th Congress (2017-2018) **To amend the Federal Water Pollution Control Act to provide for an integrated planning and permitting process, and for other purposes. Sponsor:** Rep. Gibbs, Bob [R-OH-7] (Introduced 01/12/2017) **Cosponsors:** (1, now 8) **Committees:** House - Transportation and Infrastructure

Status Update: one cosponsor added since the last report.

H.R.547 — 115th Congress (2017-2018) **National Infrastructure Development Bank of 2017 Sponsor:** Rep. DeLauro, Rosa L. [D-CT-3] (Introduced 01/13/2017) **Cosponsors:** (73, now 81) **Committees:** House - Energy and Commerce, Transportation and Infrastructure, Financial Services, Ways and Means

Status Update: two cosponsors added since the last report.

H.R.2479 — 115th Congress (2017-2018) **Leading Infrastructure for Tomorrow's America Act Sponsor:** Rep. Pallone, Frank, Jr. [D-NJ-6] (Introduced 05/17/2017) **Cosponsors:** (24) **Committees:** House - Energy and Commerce, Science, Space, and Technology, Transportation and Infrastructure, Ways and Means, Natural Resources

Status Update: no change since the last report.

H.R.100 — 115th Congress (2017-2018) **Support Local Transportation Act Sponsor:** Rep. Brownley, Julia [D-CA-26] (Introduced 01/03/2017) **Cosponsors:** (0, now 2) **Committees:** House - Transportation and Infrastructure

Status Update: no change since the last report.

H.R.481 — 115th Congress (2017-2018)

REBUILD Act

Sponsor: Rep. Calvert, Ken [R-CA-42] (Introduced 01/12/2017) **Cosponsors:** (0)

Committees: House - Natural Resources

Status Update: no change since the last report.

H.R.966 — 115th Congress (2017-2018)

TIGER CUBS Act

Sponsor: Rep. Larsen, Rick [D-WA-2] (Introduced 02/07/2017) **Cosponsors:** (5, now 8)

Committees: House - Appropriations, Budget.

Status Update: no change since the last report.

S.846 — 115th Congress (2017-2018)

SAFE Bridges Act of 2017

Sponsor: Sen. Shaheen, Jeanne [D-NH] (Introduced 04/05/2017) **Cosponsors:** (4)

Committees: Senate - Environment and Public Works

Status Update: no change since the last report.

H.R.1670 — 115th Congress (2017-2018)

Infrastructure 2.0 Act

Sponsor: Rep. Delaney, John K. [D-MD-6] (Introduced 03/22/2017) **Cosponsors:** (21)

Committees: House - Ways and Means, Transportation and Infrastructure, Rules

Status Update: no change since the last report.

H.R.1669 — 115th Congress (2017-2018)

Partnership to Build America Act of 2017

Sponsor: Rep. Delaney, John K. [D-MD-6] (Introduced 03/22/2017) **Cosponsors:** (23, now 27)

Committees: House - Transportation and Infrastructure, Ways and Means

Status Update: no change since the last report.

S.1756 — 115th Congress (2017-2018)

Rebuild America Now Act

Sponsor: Sen. Sullivan, Dan [R-AK] (Introduced 08/03/2017) **Cosponsors:** (10)

Committees: Senate - Environment and Public Works

Status Update: no change since the last report.