



CWCC

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Chairman

**MARCH 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

## **TRUMP ADMINISTRATION AND CONGRESS RELEASE FEDERAL INFRASTRUTURE PLAN(S)**

The CWCC previously reported that the Trump Administration’s 10-year, \$1.5 trillion infrastructure plan, “The American Infrastructure Initiative”, was released to Congress and the public last month. The Administration’s document notes that it will use \$200 billion of federal funds to attract \$1.3 trillion of local, state and private investments in various infrastructure projects.

The attached report from Key Advocates provides an in-depth review of the Administration’s Infrastructure Initiative. Absent from the document is an identified source of the federal \$200 billion funding it relies on to “stimulate” local, state and private investment. Those details will need to be worked out by Congress if there is any chance for movement this year. Observers have called this “flip” in federal involvement to that of a minority partner in key infrastructure investment as a major step back in thinking on the role of the federal government.

The House Democrats came out with a concurrent proposal calling for \$1 trillion investment and a proposal stabilizing the Highway Trust Fund (something that the President’s document did not address). The Senate Democrats also released their own plan. These House and Senate majority-lead plans are summarized in the attached report from Key Advocates.

At this time, no hearings have been scheduled on any of these infrastructure plans. CWCC staff and Key Advocates have prepared a list of “CWCC Member Policy Priorities” that will be distributed shortly as a draft and an opportunity will be provided by members to provide feedback before finalizing. The anticipated timing of next steps requires this step to take place before the May Fly-In. This priority list will be key in our next steps.

## **COALITION TO ADVOCATE FOR ENVIRONMENTAL STREAMLINING**

CWCC members have expressed support for federal efforts to streamline review and approval of all infrastructure projects, especially clean water projects. The White House is circulating a draft memo to more than a dozen federal agencies that would dramatically speed up the time it takes to secure environmental permits for infrastructure projects. The draft memorandum of under-

standing, which is being reviewed by 17 federal agencies and is expected to be finalized soon, would help implement an executive order signed by President Trump in August that set a goal of completing the environmental review process for major infrastructure projects within two years.

Among the recommendations is requiring that agencies conduct their individual reviews concurrently, rather than sequentially. The “new” process has three broad goals - to provide a more predictable, transparent and timely federal review and authorization process for delivering major infrastructure projects; establish standard operating procedures for how the federal government will make concurrent and synchronized reviews for major infrastructure projects; and eliminate duplication of effort among agencies, improve the efficiency of product delivery, make better-informed decisions and promote good environmental, community and economic outcomes.

Faster permitting is one element of the Administration’s Infrastructure Plan that CWCC will strongly advocate for interacting with the Congress.

### **FEDERAL FISCAL YEAR 2018 APPROPRIATIONS BILLS**

On February 9, 2018, President Trump signed into law another federal Fiscal Year 2018 appropriations continuing resolution that, for federal FY18 and FY19, lifted the statutory budget caps and increased funding for national defense, provided emergency disaster aid funding, lifted the debt ceiling, extended certain health care and tax authorizations, and maintained government operations until March 23, 2018. The law represents an agreement, reached on a bipartisan basis by House and Senate leaders, that will enable work to proceed on all 12 annual Appropriations bills each year.

### **CWCC FLY IN REMINDER**

Details for CWCC events May 14th – May 16th were distributed last month. Please don’t hesitate to reach out with any questions.

### **KEY ADVOCATES REPORT**

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





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## *March 2018 Insights*

### **Infrastructure: The Administration's Plan**

On Feb. 12, the Administration unveiled its long-awaited infrastructure plan. The 53-page document lays out its vision: to turn \$200 billion in federal money into \$1.5 trillion for fixing America's infrastructure by leveraging local and state tax dollars and private investment. However, existing funding sources — such as sales taxes that have already been levied to pay for transit projects — may count towards a local jurisdiction's contribution.

Half of the new federal money, \$100 billion, would be parceled out as incentives to local government entities. An additional \$20 billion would go toward "projects of national significance" that can "lift the American spirit." Another \$50 billion is earmarked for rural block grants, most of which will be given to states according to a formula based on the miles of rural roads and the rural population they have. States can then spend that money on transportation, broadband, water, waste and power projects. The rest of the money would support other infrastructure-related undertakings, including existing loan programs like WIFIA and RRIF, which White House officials said could leverage up to \$40 in local and private money for every \$1 in federal investment.

The Trump administration says it wants to shorten the time and expense of getting federal permits by consolidating the reviews conducted by different agencies into "one federal decision," with one agency taking the lead on evaluating a project. The plan proposes to cut federal permitting to two years, down from five to ten. The plan also calls for changes aimed at widening the pipeline of skilled construction workers, such as allowing Pell Grants to be used for short-term credentials from places like community colleges and targeting federal work-study funding toward on-the-job training. Finally, the plan proposes to allow the federal government to quickly and more easily sell assets that it says "would be better managed by state, local, or private entities." As examples of property that could be divested, the plan named the Ronald Reagan and Dulles International Airports, the Tennessee Valley Authority and Bonneville Power Authority's transmission assets, and the Washington Aqueduct, which supplies Washington, D.C. with fresh drinking water.

At the Conference of Mayors in January, the Administration explained that it would not be proposing a specific funding mechanism for the infrastructure plan, saying that will be a conversation with Congress. But that discussion just got a lot harder following the passage of a tax plan that is expected to expand the deficit by over a trillion dollars over ten years. The U.S. Chamber of Commerce has proposed hiking the federal gas tax, which hasn't gone up since 1993, to raise \$394 billion over 10 years. The White House said that it is open to that idea but hasn't ruled anything out. Over the past year, Democrats have accused Trump of seeking to create the \$200 billion infrastructure fund by proposing cuts to other infrastructure-related programs. The

Administration committed to leaving major pots of money intact, such as the Highway Trust Fund, but said that some existing spending may be "repurposed."

### **Infrastructure: The House Democrats' Plan**

House Democrats came out with their infrastructure "proposal" calling for a \$1 trillion federal investment as opposed to President Trump's proposal for just \$200 billion in public funds. The proposal specifically calls for stabilizing the Highway Trust Fund, which Trump's plan doesn't appear to address. It further separates itself by trumpeting support for environmental sustainability and Davis-Bacon labor protections. In some places, the document puts dollar amounts on various infrastructure needs - \$100 billion for airports, \$30 billion for rail, \$92 billion for ports and waterways - without explicitly calling for those spending levels. House Transportation Committee ranking member Peter DeFazio (D-Ore.) and House Minority Leader Pelosi dismissed the \$20 billion for infrastructure included in this week's budget deal. The Plan is as follows:

- **Roads, Bridges & Transit:** Americans waste billions of dollars and gallons of gas each year stuck in traffic and from outdated and inefficient transportation options. Democrats will build world-class transportation systems that increase safety, lower costs for commuters and businesses and get goods to market quicker. We will achieve this by stabilizing the Highway Trust Fund and providing a major increase in federal investment to upgrade the 56,000 structurally deficient bridges across the country, improve road quality and improve access to reliable transit options.
- **High-Speed Internet:** Democrats understand that access to quality, affordable high-speed internet is no longer luxury; it is a necessity for 21st century commerce, education, telemedicine and public safety. High-speed internet can unlock communities' full economic potential, help rural areas attract new employers, improve health care outcomes and help students succeed. We will close the rural-urban divide and build out high-speed broadband in unserved and underserved areas in both rural communities and large cities.
- **Rail:** Our energy-efficient railroads move more freight than ever and Amtrak's ridership has never been higher, but our rail infrastructure, as it stands now, cannot meet this demand and match its projected growth. Democrats will work to improve our nation's inter-city passenger railroads and high-speed rail to connect more communities and implement lifesaving Positive Train Control technology. This will not only reduce service disruptions across the country, but it will also make our rail service more convenient and safer for all passengers. Amtrak has identified over \$30 billion in long-term construction projects that would improve rail infrastructure, meet public demand and create thousands of new jobs.
- **Schools:** Safe, healthy and modern learning environments are key to all students' success. Democrats will leverage federal, state and local resources to invest \$107 billion in critical physical and digital infrastructure needs in schools while creating 1.9 million jobs.
- **Airports:** Democrats will increase public investment in our airports and aviation system so Americans arrive at their final destination safely and on time, and with more money in their pockets. Airports Council International estimates that, over the next five years, U.S. airports will require total investment of \$100 billion to address their capital needs and meet projected passenger growth and cargo activity. These investments will also improve today's difficult passenger experience.

- **Ports and Inland Waterways:** America's ports, inland waterways, locks and dams serve as economic lifelines for many communities. Allowing these assets to fall into disrepair is causing the United States to lose business to Canada and Mexico, and places our national security in jeopardy as more goods are brought over land through our borders. The American Society of Civil Engineers estimates we need to invest \$92 billion in marine dredging and inland waterways to accommodate anticipated growth in waterborne traffic. Democrats will make sure money paid by shippers into the Harbor Maintenance Trust Fund (HMTF) is used for its intended purpose. The \$9 billion already collected is currently diverted to hide the size of the budget deficit.
- **Water:** Water is the lifeblood of any community – without it, there is no farming or ranching, no jobs or economic activity. Democrats will restore our historical commitment to addressing our drinking and wastewater infrastructure so that all Americans in both urban and rural areas have reliable access to safe and clean water. We will protect public health for all communities, especially the most vulnerable populations, and ensure these essential public services remain affordable to hard working American families.
- **Energy:** Democrats will deliver cheaper energy prices for consumers and reduce the number of power failures by improving and modernizing our aging energy infrastructure so that it is secure, efficient and resilient. We will expand renewable energy infrastructure to create jobs of the future and lessen our carbon footprint. We will also strengthen our bioenergy capabilities and invest in energy efficiency retrofits and smart communities that help cut energy usage and combat climate change.

### **Infrastructure: The Senate Democrats' Plan**

The Senate Democrats' plan is as follows:

- **Revitalize America's Main Streets: \$100 billion – Creating 1.3 Million New Jobs.**
  - We will make a historic investment in our cities, towns, and rural communities, to address their unique challenges. Federal funding will enable communities to rethink their downtowns, creating places for people to live, work, and thrive. Projects could include safety improvements, congestion reduction, grade crossings, resilient infrastructure projects, intelligent transportation systems, bicycle and pedestrian safety projects, and other locally-determined priorities. Funding could also be used to address housing challenges, remove blighted buildings, or remediate lead and other hazards in the 1.25 million homes where children are at high risk of lead poisoning. Further, funding could be used to support solutions geared toward helping the more than 11.4 million households that pay more than half of their income monthly on rent, including expanding existing tax incentives and other affordable housing federal programs.
- **Expand the Successful federal TIGER Grant Program \$10 billion – Creating 130,000 New Jobs**
  - We will significantly increase funding for the highly successful TIGER Grant program. This will provide States and local communities with the means to mobilize transportation projects that the traditional formula grant programs are unable to accommodate. By increasing funding to TIGER, we will enable more highly qualified multi-modal projects to be funded that will improve safety and mobility, fix freight bottlenecks, shorten commutes, expand access to jobs and schools, and generate economic development.

- **Rehabilitating Water & Sewer Systems: \$110 billion – Creating 2.5 Million New Jobs**
  - We will make major investments in the Clean Water and the Drinking Water state revolving funds, and USDA water programs, to address the growing backlog of water and sewer projects. We will also give States new flexibility to provide communities with more grants rather than loans. This will unlock thousands of new water and sewer infrastructure projects without burdening local ratepayers. In addition, we propose decreasing the local matching funds required of states and local governments who simply cannot afford to take on more debt. Finally, we will increase funding for the Water Infrastructure Finance and Innovation Act program that provides federal loans to support large-scale water infrastructure projects with national and regional significance.
  
- **Modernize America’s Rail Infrastructure \$50 billion – Creating 650,000 New Jobs**
  - We will invest in critically important passenger and freight rail projects. Specifically, we will provide federal funding for grant programs passed with strong bipartisan support, including: Amtrak, the Consolidated Rail Infrastructure and Safety Improvement program, the Federal-State Partnership program, and Restoration and Enhancement grants. This will improve and grow passenger rail service, enhance the movement of freight by rail, and accelerate the deployment of safety measures like Positive Train Control. More convenient and safer rail service will also help reduce congestion on our roads and airports.
  
- **Repairing and Improving Public Transportation: \$130 billion – Creating 1.9 Million New Jobs**
  - We will invest \$90 billion to reverse the national repair backlog: \$15 billion to support large, urgent repair projects that address critical safety risks, \$30 billion to replace many of the 46,000 buses and 8,000 rail vehicles that will exceed their useful service life by 2025, and \$45 billion to increase core formula programs, which support repair projects across the country. Formula investments also support rural transit, tribal transit and specialized transit services for seniors and persons with disabilities. To address overcrowding and ridership growth, we will invest \$25 billion to advance subway, light rail, streetcar and bus rapid transit projects that are under development but lack funding and \$15 billion to expand existing public transportation facilities, like stations. An infrastructure package should also include a bipartisan plan that ensures the long-term solvency of the Federal Highway Trust Fund, including the Mass Transit Account.
  
- **Thinking Big and Get Major Projects Moving \$200 billion – Creating 2.6 Million New Jobs**
  - We propose creating the Vital Infrastructure Program (VIP) to focus major federal investments on the nation’s most critical and transformative transportation projects. The Vital Infrastructure Program will be a valuable tool in jumpstarting innovative new projects that connect communities from coast to coast. From changing the way we move goods and freight, to modernizing our highways and transit systems, the Vital Infrastructure Program will provide the federal funding needed to make big ideas a reality. This new federal funding program would be available for priority projects with broad eligibility for all modes of surface transportation and significant funding to enable immediate completion of major projects across the nation.

- Strengthening America's Public Schools \$75 billion – Creating 975,000 New Jobs
  - We will invest \$75 billion to jumpstart public school modernization. The funds would be distributed on a formula basis to the public schools with the greatest and most urgent needs. Funding will ensure that school construction and modernization projects can get underway quickly without placing an undo financial burden on local taxpayers. We will also reauthorize the Qualified Zone Academy Bonds program and expand its use to help public schools located in economically- distressed and high-poverty communities invest in their school districts.
  
- Improving America's Airports: \$30 billion – Creating 390,000 New Jobs
  - We will make a major investment in America's airports. Specifically, we will provide a major increase in appropriations to the FAA's annual facilities and equipment budget, the Airport Improvement Program (AIP), and additional investments to accelerate the continued implementation of the NextGen modernization program, which is deploying technology to improve aviation performance and safety. These investments will not only improve public safety and modernize our airspace, but can also help improve efficiency and productivity in the aviation industry.
  
- Addressing our Ports and Waterways \$10 billion – Creating 130,000 New Jobs
  - We will invest \$10 billion to support, dredging, maintenance of locks, dams, harbors and other coastal and inland navigable waterway projects, including environmental infrastructure projects, shore protection, and ecosystem restoration. This funding will be available to the Army Corps Construction, Operations & Maintenance, and Investigations accounts, as well as projects supported by the Bureau of Reclamation.
  
- Building More Resilient Communities \$25 billion – Creating 325,000 New Jobs.
  - To help communities better prepare for disasters, we will invest \$25 billion to support three individual resiliency programs. The federal funding will be used to (1) support a critical infrastructure resiliency competition; (2) support a new Resilient Communities Revolving Loan Fund; and (3) to support the National Oceans and Coastal Security Fund that supports projects that raise or relocate coastal infrastructure at risk of flooding, and promotes smart coastal development. These three programs will provide high-risk communities with the tools to prepare, prevent, and recover from future disasters in order to minimize the cost of recovery from future events.
  
- Next Generation Energy Infrastructure \$100 billion - Creating 1.3 Million New Jobs
  - We will invest \$100 billion in much-needed power transmission and distribution upgrades, and we will consolidate and reform existing tax incentives for clean, renewable energy. These investments will improve the reliability and resiliency of our electric power grid, protect against cyber-attacks, and prepare for more locally generated renewable energy. In addition, a permanent incentive would be given for electricity generation, transportation fuels, and energy efficiency improvements. The level of incentive would be based on performance: the cleaner the technology or the more energy conserved, the larger the incentive. Technology-neutral energy tax credits would reward clean energy and promote innovation and investment in renewable energy and energy conservation. With this new certainty in the tax code, large investments to support next generation



energy infrastructure will be viable, supporting new energy opportunities that will increase efficiency, protect the environment and bring down consumer costs.

- Connecting America's Communities \$20 billion – Creating 260,000 New Jobs
  - To close the rural-urban divide, and to push toward ubiquitous access to high-speed broadband, we will invest \$20 billion to fund the build out of high-speed broadband in unserved and underserved areas. This funding will be available to projects currently eligible under programs at both the Department of Commerce and the US Department of Agriculture. We also propose expanding the programs to enable grant recipients to use grant funds to deploy various types of infrastructure capable of offering, middle-mile, last-mile wired and wireless broadband access, and adding evaluation criteria in the awards process to ensure that the funding goes to the most effective and efficient uses. Finally, we propose ensuring additional funding is available to help upgrade our nation's aging 9-1-1 system and other critical infrastructure technology.
  
- Investing in America's Public Lands & Tribal Infrastructure \$20 billion – Creating 260,000 New Jobs
  - We will invest \$20 billion in federal funding in public lands and tribal infrastructure. This includes funding for construction, maintenance and restoration projects at the four Federal land management agencies – the National Parks Service, the US Forest Service, the Bureau of Land Management, and the US Fish and Wildlife Service. We also propose significant federal funding, above current tribal set asides in other programs, for tribal health care facilities, schools, roads, public safety maintenance and other construction needs. Investments of this type have bi-partisan support and this blueprint makes a significant down payment toward the construction backlog on federal and tribal lands.
  
- Modernizing VA & National Guard Facilities \$10 B – Creating 130,000 New Jobs
  - To address this backlog and ensure that our Veterans get the modern care they deserve, we will invest \$8.5 billion in funding for on-going and high priority major VA construction projects. In addition, we will invest \$500 million to help foster partnerships with States to construct high-priority extended care facilities, and \$1 billion to help address capital backlogs at domestic military installations, including National Guard and Reserve centers.
  
- Closing the Infrastructure Financing Gap \$10 billion - Creating 1.3 Million New Jobs
  - To leverage additional funding and help drive greater investment into our nation's infrastructure, we will invest in a new infrastructure finance entity, like an 'I-Bank', that would unlock pools of capital to provide low-cost loans or loan guarantees for appropriate projects across a broad range of sectors, including transportation, energy, affordable housing, and water infrastructure. It's estimated that the creation of such a fund with \$10 billion in seed money could leverage over \$100 billion in private investment over 10 years for infrastructure projects. In addition, we propose protecting and strengthening the existing financing programs available under USDOT and other agencies, including the Railroad Rehabilitation & Improvement Financing (RRIF) program, the Transportation Infrastructure Finance and Innovation Act (TIFIA), and EPA's Water Infrastructure Finance and Innovation Act (WIFIA). These traditional financing programs have been critical tools in advancing a number of projects across the country. All projects must abide by federal prevailing wage requirements,

environmental rules, 'Buy America' provisions and other requirements that would apply to a federally-assisted project within a particular infrastructure sector.

## **Environmental Streamlining**

The White House is circulating a draft memo to more than a dozen federal agencies that would dramatically speed up the time it takes to secure environmental permits for infrastructure projects. The draft memorandum of understanding, which is being reviewed by 17 federal agencies and is expected to be finalized soon, would help implement an executive order signed by President Trump in August that set a goal of completing the environmental review process for major infrastructure projects within two years.

Faster permitting is expected to be one element of the infrastructure plan the White House is slated to unveil today, though the inter-agency memorandum of understanding is not expected to be finalized in time for this rollout.

In order to more quickly green-light proposed bridges, pipelines and roads, the Trump administration — led by the White House Office of Management and Budget and the Council on Environmental Quality — has been working behind the scenes for weeks to establish a more streamlined process among the dozens of federal agencies that often have to weigh in before a project can move forward. Among the changes: requiring that agencies conduct their individual reviews concurrently, rather than sequentially.

The “new” process has three broad goals - to provide a more predictable, transparent and timely federal review and authorization process for delivering major infrastructure projects; establish standard operating procedures for how the federal government will make concurrent and synchronized reviews for major infrastructure projects; and eliminate duplication of effort among agencies, improve the efficiency of product delivery, make better-informed decisions and promote good environmental, community and economic outcomes.

## **FY18 Appropriations Bills: Generally**

On Feb 9 the President signed into law another FY18 appropriations continuing resolution that, for FY18 and 19, lifted the statutory budget caps and increased funding for national defense, provided emergency disaster aid funding, lifted the debt ceiling, extended certain health care and tax authorizations, and maintained government operations until March 23, 2018. The law represents an agreement, reached on a bipartisan basis by House and Senate leaders, that will enable work to proceed on all 12 annual Appropriations bills each year.

## **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.

## **President's FY19 Budget: Transportation**

Quoting from the Budget proposal:

“Americans’ quality of life and long-term economic prosperity depend, in part, on the condition and performance of the Nation’s transportation infrastructure. To address these challenges, the Budget requests \$57.4 billion in mandatory funds and obligation limitation to improve the Nation’s highways, bridges, and transit systems. The Budget includes \$46 billion for highway infrastructure and safety programs, \$9.9 billion for transit infrastructure, and \$1.4 billion for NHTSA and FMCSA safety programs. These levels match the authorized amounts in the FAST Act.

While Amtrak has in recent years improved its ridership and revenue on the Northeast Corridor and State Supported Routes, Amtrak continues to rely exclusively on Federal subsidies to operate long distance train routes, which have large operating losses and serve a small number of passengers. The Budget proposes reforms to Amtrak to improve efficiencies in long distance services and reduce reliance of the Federal Government. In particular, the Budget proposes that States begin to share the operating subsidy costs of Long Distance routes with the Federal Government. This would make States more equal partners with the Federal Government, and would strengthen the responsiveness of Amtrak to the communities they serve. State contributions to long distance routes is only one tool in the menu of options for reform the Administration will be exploring to improve the current system and reduce Federal subsidies in the Long Distance network.

Consistent with the 2018 Budget, the Budget eliminates funding for the unauthorized Transportation Investment Generating Economic Recovery discretionary grant program, which awards grants to projects that are generally eligible for funding under existing surface transportation formula grant and loan programs. In addition, DOT’s Infrastructure For

Rebuilding America grant program, authorized by the FAST Act, supports larger highway and multimodal freight projects with demonstrable national or regional benefits. The Budget also proposes to wind down the Federal Transit Administration's Capital Investment Grant program (known as New Starts), by limiting funding to projects with existing full funding grant agreements only. The President's Infrastructure Initiative is designed to incentivize States and localities to raise new revenue and funding dedicated for infrastructure investment, via competitive Federal grant awards and other incentives. Those new State and local funds would be available for transportation projects prioritized by those communities, which are better equipped to understand their infrastructure needs.

### **President's FY19 Budget: Clean Water and Safe Drinking Water SRF's**

The Budget proposes \$997M for the Clean Water SRF and \$863M for the Safe Drinking Water SRF.

Quoting from the Budget Proposal:

“The Budget funds water infrastructure through the State Revolving Funds and the Water Infrastructure Finance and Innovation Act (WIFIA) credit program. The 2019 capitalization of the State Revolving Funds would supplement the approximately \$80 billion currently revolving at the State level; in addition, the WIFIA credit subsidy would support more than \$1 billion in direct loans, resulting in more than \$2 billion in total investment. These resources would complement State and local drinking water and wastewater infrastructure investments as well as funding provided through other Federal channels, including the President's Infrastructure Initiative. “

### **SRF WIN Bills**

The bills are S. 2364 and H.R. 4902. The Senate bill was introduced by Senators John Boozman (R-AR), Chair of the Water Subcommittee of the Environment and Public Works Committee (EPW), and Senator Diane Feinstein (D-CA), Ranking Democrat of the Energy and Water Appropriations Subcommittee. Cosponsors are Senators Jim Inhofe (R-OK), Chair of the EPW Transportation and Infrastructure Subcommittee and Cory Booker (D-NJ), Ranking Democrat of the EPW Superfund Subcommittee. The House bill was introduced by Congressmen John Katko (R-NY-24), a member of the Water Resources Subcommittee of the Transportation and Infrastructure Committee, and Eal Blumenauer, (D-OR-3), a member of the Ways and Means Committee and, if you recall, the author of the voluntary fee labeling bill.

Generally, the bills - a new loan program - are intended to combine the “best aspects of the SRF's with the leveraging power of WIFIA.”

Specifically, the bills authorize \$200M for each of FY19-23 for states to apply for loans. There is a \$7B per state loan cap for the 5 years. Fifty percent of the funds would be loaned at the current Treasury rate. The bill states that those funds would support \$10B in loans per year. The other fifty percent would go to states that receive less than 2 percent of the total amount of funds made available to the states for the state loan funds for the most recent fiscal year OR to major disaster declared states if the loan is for a project related to wastewater or drinking water infrastructure damaged by the disaster. The bills states that those funds would support \$850M in loans per year. The Federal share for loans is up to \$100%. Eligible project activities are those included in a state's SRF “intended use plan.”

The \$100,000 WIFIA application fee is waived. The application process is limited to 180 days maximum. No new project approval requirements would be needed - existing approvals would suffice. The new program is tied to FY18 appropriation levels for the SRF's - if at any year in the appropriations process the SRF funding levels are below the FY18 levels, this new program will not kick in for that year.

Status Update: 5 additional cosponsors (2 Repubs and 3 Dems) added to the Senate bill, and 2 cosponsors (1 Repub and 1 Dem) added to the House bill.

## Hearings

On Feb 14, the Subcommittee on Water, Power and Oceans of the House Natural Resources Committee held a hearing on “*The State of the Nation’s Water and Power Infrastructure.*” This hearing examined policy reforms to foster a water and power ‘renaissance,’ improve America’s aging infrastructure and meet growing demands; focused on the current, burdensome federal regulatory permitting framework that has stifled the development of new water and power infrastructure throughout the West and impeded the modernization of existing facilities; and, included potential solutions on permitting and process reforms in order to promote the development of increased water supplies and power production. Witnesses were *Daren Bakst*, Research Fellow, The Heritage Foundation’s Institute for Economic Freedom Washington, DC; *Charles Freeman*, District Manager, Kennewick Irrigation District Kennewick, Washington; *Jonathan Nelson*, Policy Director, Community Water Center Visalia, California; and, *Jim Watson*, General Manager, Sites Project Authority Willows, California.

## Earmarks

As a result of the recent hearings on earmarks, it was decided that both parties would take the issue to their respective caucus for further deliberation.

To review, 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. Day two included “outside” witnesses who testified both for and against bringing earmarks back.

## 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: no change 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: no change 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.