



May 3, 2019

PRESIDENT AND CONGRESSIONAL DEMOCRATS AGREE TO \$2 TRILLION TARGET FOR INFRASTRUCTURE PACKAGE

After a high-profile meeting at the White House this week, President Trump and the congressional Democrats he met with agreed to a top-line \$2 trillion target infrastructure package. While there is no “pay for” or program details, an agreed upon target is viewed by many as progress. Speaker Pelosi says the ball is now in the President’s court to come up with a funding mechanism. "A good start" was a common refrain on the Hill, including from Transportation and Infrastructure Committee Chairman DeFazio. Others in the Senate majority remain skeptical.

Key Advocates reports that this pessimism comes from those who believe that an infrastructure measure is not going to happen because it’s too complicated, a funding source is too challenging and could be politically controversial, and Democrats don’t want to give the President a “win”. Other sources have indicated that the effort is “full speed ahead”. In the House, a mega infrastructure bill is still Speaker Pelosi’s #2 priority – ethics and campaign finance being #1 (the House has already passed a bill on that). As a further indication of that, the Speaker has reserved the designation of H.R. 2 for the infrastructure legislation. Bill designations of 10 or less have traditionally indicated issues of greater importance. Also, the Speaker’s staff has had numerous conversations with the staff of Ways and Means Committee Chairman Neal and Transportation and Infrastructure Committee Chairman DeFazio regarding the substance and timing of a bill. DeFazio has said that he believes that a bill can be ready early to late summer. As previously reported, DeFazio has introduced H.R.1497 (discussed further in this report) with bipartisan support, a Clean Water SRF and Alternative Water Source Project bill which, they believe, will be one of the three cornerstones of his mega infrastructure bill – the other two being highways and aviation.

CONGRESSIONAL HEARINGS PRESS INFRASTRUCTURE AGENDA - SUPPORT FOR H.R. 1497 GROWS

Chairman DeFazio embarked on a very aggressive series of infrastructure hearings – four having been held in the past two weeks. In the Senate, the Senate Environment and Public Works Committee has solicited from Members of the Committee what they want in an infrastructure bill. Those “asks” are due by May 1.

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Robert Briant, Jr. – Chairman

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* Steering Committee Member



Several hearings were held in the House on infrastructure since the last report. The Energy and Commerce Committee held a hearing on April 10 on energy infrastructure. The Transportation and Infrastructure Committee held hearings on airport (March 26), roadway (April 9) and waterway infrastructure (April 10). More details are included in the attached report from Key Advocates.

As has been previously discussed and reported, the Coalition sent a letter of support for H.R.1497, the “Water Quality Protection and Job Creation Act of 2019.” This bill, introduced by Chair DeFazio, Subcommittee Chair Napolitano, and Representatives Don Young and John Katko, now has **18 cosponsors**. As a reminder, the bill:

- Authorizes \$20 billion in Federal grants over five years for Clean Water SRFs.
- Authorizes \$1.5 billion over five years for grants to implement state water pollution control programs.
- Provides \$600 million over five years for Clean Water pilot programs (including Federal technical assistance and/or grants) for watershed-based or system-wide efforts to address wet weather discharges, to promote storm water best management practices, to undertake integrated water resource management, and to increase the resiliency of treatment works to natural or man-made disasters.
- Authorizes \$375 million in grants over five years for alternative water source projects including projects that reuse wastewater and storm water to augment the existing sources of water.

“EMERGING LEADERS PROGRAM” ESTABLISHED BY THE UNDERGROUND CONTRACTORS ASSOCIATION OF ILLINOIS

At the recent Washington, DC CWCC Fly-In, Mike Wiedmaier, Executive Director of the Underground Contractors Association (UCA) of Illinois reported that 2018-2019 was the inaugural year for their new “Emerging Leaders Program.” Mike was joined by several UCA of Illinois members that participated in the program and together they provided a great update of their efforts. What follows are details about this exciting program put together by Mike with an offer for any Coalition member to reach out to him with any questions.

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UCA of Illinois Emerging Leader Program:

Goals:

- **NETWORKING:** The primary goal of this program is to connect young people from the various companies involved in UCA. We can teach them only so much in a handful of sessions over the course of a few months. By getting to know each other, they will have resources to continue to learn and connect with the industry for years to come.
- **EXPOSURE:** People get stuck in their own silos. From contractors to suppliers to insurance to banking to materials testing to organized labor, it's easy to lose sight of the big picture. This program should open the participants' eyes to everything which makes our industry and association what it is today.
- **FUTURE OF UCA:** Like any organization, UCA needs leaders for the future. By exposing them to everything UCA does, we hope they're more prepared to step up and help out the association down the road.

Format:

- **FREQUENCY:** Once a month, August through March w/ lobbying trip & graduation in April. It's frequent enough for participants to stay engaged, but infrequent enough to not be a burden.
- **TIMING:** ½ a day. 11:00am – 4pm (with networking happy hour from 4-5). Lunch is provided. That way participants can get things set for the day before they dive into the program for the afternoon.

Sessions include training presentations, student presentations, site visits, networking opportunities & a lobbying trip to Springfield / DC.

Major Session Topics:

- Engineering/General Contractors/Subcontractors/Material Suppliers
- Insurance/Bonding / Safety/Risk Management
- Banking
- Advocacy/Legislative (lobbying organizations; ICIC, TFIC, CWCC)
- Legal
- Organized Labor (LMCC's), Union Funds, Craft committees, IEPI
- Partner organization familiarization (CSC, MARBA, CISCO)
- Leadership Development
- Accounting (Project Accounting, P&L Statements, Quote to Cash Overview)
- Internet & Cyber Security

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Class size was limited to 20 registrants and sold out in a few weeks. The class was introduced at their Annual Business Meeting in September. At UCA's Annual Convention in January, there was a short educational session on the program. In April at their Annual Tradeshow there was a one-hour overview of the program presented by the Co-Chairman with testimonials provided by participants. At the end of the evening an official graduation was held with plaques presented to the class. Doing this provided recognition to the participants and exposure of the program to general membership.

All of the session presenters are from UCA member firms or affiliated organizations. This allows even more interaction within the association and benefits the class and presenters. The Coalition congratulates UCA of Illinois for this program and thanks Mike for his generous offer of time for consultation. He can be reached via email at: michael@UCA.org

KEY ADVOCATES REPORT

Included with this notice is Key Advocates recent report which is current to the end of April 20

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May 2019 Insights

Infrastructure

In checking with staff of key Members and committees, we learned the following. There are those, albeit in the minority, who are saying that an infrastructure bill is not going to happen because it's too complicated, because a funding source is too challenging and could be politically controversial, and because Democrats don't want to give the President a "win." On the other hand, what we are mostly hearing is that the effort is "full speed ahead." In the House, a mega infrastructure bill is still the Speaker's #2 priority – ethics and campaign finance being #1 (the House has already passed a bill on that). As a further indication of that, the Speaker has reserved the designation of H.R 2 for the infrastructure bill. Bill designations of 10 or less have traditionally indicated issues of greater importance. Also, the Speaker's staff has had numerous conversations with the staff of Ways and Means Committee Chairman Neal and Transportation and Infrastructure Committee Chairman DeFazio regarding the substance and timing of a bill. DeFazio is still saying publicly early to late summer. As previously reported, DeFazio has introduced, with bipartisan support, a Clean Water SRF and Alternative Water Source Project bill which, we believe, will be one of the three cornerstones of his mega infrastructure bill – the other two being highways and aviation. Lastly, DeFazio has embarked on a very aggressive series of infrastructure hearings – four having been held in the past two weeks. In the Senate, the Senate Environment and Public Works Committee has solicited from Members what they want in an infrastructure bill. Those "asks" are due by May 1. We also know that the EPW majority staff has been drafting some new programmatic approaches – details not known. And, EPW Chairman Barrasso has his infrastructure bill that he drafted last year which has not been made public, the reports being that the focus is on regulatory and permitting reform. With the new majority in the House, the Administration – DOT Secretary Elaine Chao – has been making the rounds advocating for an infrastructure bill, pointing to the President's proposal of last January, and reaffirming the President's comments that infrastructure is an issue that he believes he can work with the Congress on.

Hearings

A number of hearings were held in the House on infrastructure. The Energy and Commerce Committee held a hearing on April 10 on energy infrastructure. The Transportation and Infrastructure Committee held hearings on airport (March 26), roadway (April 9) and waterway infrastructure (April 10).

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

To review, on Feb.13, the Congresswoman introduced the above bill (with 17 cosponsors, now 24 – all Dems) which the Coalition reported to her office its support. The Coalition supported her bill last Congress. Two changes were made from last year’s version: 1) the EPA grant program was dropped so the focus could be on Title XVI; and, 2) the cap on the Federal share for individual projects was kept but 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.

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

To review, on March Chair DeFazio, Subcommittee Chair Napolitano, and Representatives Don Young and John Katko introduced the above bill (now with 18 cosponsors) which the Coalition sent a letter of support to the Committee. The bill:

- Authorizes \$20 billion in Federal grants over five years for Clean Water SRFs.
- Authorizes \$1.5 billion over five years for grants to implement state water pollution control programs.
- Provides \$600 million over five years for Clean Water pilot programs (including Federal technical assistance and/or grants) for watershed-based or system-wide efforts to address wet weather discharges, to promote storm water best management practices, to undertake integrated water resource management, and to increase the resiliency of treatment works to natural or man-made disasters.
- Authorizes \$375 million in grants over five years for alternative water source projects including projects that reuse wastewater and storm water to augment the existing sources of water.

McNerney “West Act”

Last Congress, Congressman McNerney (D-CA-9) introduced an omnibus water and energy bill which the Coalition helped draft and supported. No decision has been made at this time on reintroducing the bill or moving pieces of it in the committees of jurisdiction.

Coalition Hill Contact Database

The Coalition will be developing two 116th Congress organizational databases. The first is CWCC Hill contacts, which will identify a contact from each Coalition member agency, and then the member agency’s Representative(s), and that Representative’s contact information, Legislative Assistant for water issues, and email addresses. The second will identify the Democrat and Republican staffs for the Coalition’s key committees and those Members of Congress who may not be associated with a CWCC member.

FY20 Appropriations Process

Underway with hearings. Tentative goals are for House passage of all bills by the July recess; Senate by the August recess; conferences in September; and final passages by Oct. 1. Have met, and will continue meeting with, various subcommittee staffs to advocate for highest funding levels.

FY20 President's Budget

SRF'S –

The Budget includes \$1.98 billion for the State Revolving Funds, \$83 million to begin implementation of the new America's Water Infrastructure Act of 2018 (AWIA) legislation, and \$25 million for the Water Infrastructure Finance and Innovation Act (WIFIA) program.

WINN Grants-

Title XVI Water Reclamation and Reuse Projects, \$3M, @ \$55.6M below the FY19 enacted level.

WaterSMART Grants, \$10M, \$24M below the FY19 enacted level.

DOT-

FHWA - \$2B for INFRA grants - double the FAST Act authorized level, and \$300M in competitive highway bridge grants (versus \$225M in FY19 funding).

FTA - \$1.5B (versus \$2.55B in FY'19 funding) for the Capital Investment Grant (CIG) program (New Starts, Small Starts, Core Capacity) and \$10.65B for the transit formula program, the same as FY19.

FRA - \$936M for Amtrak - \$325M for the NEC and \$611M for the National Network (versus \$650M for the NEC and \$1.29B for the National Network in FY19 funding).

FAA - \$3.3B (versus \$3.85B in FY'19 funding) for the Airport Improvement Program (AIP) for airport capital construction programs.

Other - \$1B for the BUILD grant program (formerly called the TIGER program) versus the \$950M appropriated in FY19.

FY20 Congressional Budget Resolution

The Senate reported out its 5-year budget resolution. The Category 300 Natural Resources & Environment number is a little higher than last year. More importantly, they included a deficit neutral reserve fund for transportation and infrastructure, which listed various categories including water. The purpose is that funds moved in here do not increase the overall deficit. The House had a different approach. H.R. 2021 "Investing for the People Act" includes a 2-year budget. It raised the budget caps on domestic and defense spending. They were ready to bring it to the Floor but some democrats had issues (moderates thought too much money and progressives too much pentagon money). Once they work this out it will be ready to go to the Floor.

Bill Tracking

S.352 — 116th Congress (2019-2020)

A bill to amend the Internal Revenue Code of 1986 to increase the national limitation amount for qualified highway or surface freight transfer facility bonds.

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

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.680 — 116th Congress (2019-2020)

Securing Energy Infrastructure Act

Sponsor: Rep. Ruppertsberger, C. A. Dutch [D-MD-2] (Introduced 01/17/2019) Cosponsors: (1)
Committees: Science, Space, and Technology Establishes a two-year pilot program within the Department of Energy's (DOE) national laboratories to (1) identify the security vulnerabilities of certain entities in the energy sector, and (2) evaluate technology that can be used to isolate the most critical systems of such entities from cyberattacks.
In addition, DOE must establish a working group to evaluate the technology solutions proposed by the national laboratories and to develop a national strategy to isolate the energy grid from attacks.

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.^[1]_[SEP]

H.R.2220 — 116th Congress (2019-2020)

To amend the Intermodal Surface Transportation Efficiency Act of 1991 with respect to high priority corridors on the National Highway System, and for other purposes.

Sponsor: Rep. Babin, Brian [R-TX-36] (Introduced 04/10/2019) Cosponsors: (10)
Committees: Transportation and Infrastructure

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.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