



June 7, 2019

PROGRESS ON CLEAN WATER AND DRINKING WATER APPROPRIATION BILLS

On May 22, the House Appropriations Committee reported its version of the federal FY20 Interior Appropriations Bill which provides \$1.8B for the Clean Water SRF (an increase of more than \$100M over the last Federal Fiscal Year) and \$1.3B for the Drinking Water SRF (an increase of \$140M over the last Federal Fiscal Year and equal to the amount authorized by the America's Water Infrastructure Act of 2018). The fact that the appropriators provided up to the authorized level for the Safe Drinking Water SRF argues for enactment of authorization levels above the \$1.8B for the Clean Water SRF. Action in the Senate is expected in the coming weeks.

In addition, the House Appropriations Committee reported its version of the federal FY20 Energy and Water Appropriations bill which provides \$63.617M for Title XVI (of which \$10M is for the Title XVI WIIN grant program) and \$60M for WaterSMART, and lists the names of the federal FY18 USBR Title XVI grant awardees, as required by law.

MAJOR INFRASTRUCTURE PACKAGE ON HOLD

Since President Trump and the congressional Democrats agreed to a top-line \$2 trillion target infrastructure package, the Administration and the Congress have not come to an agreement on the details, including pay-fors. President Trump inserted unrelated conditions into the negotiations that, if not reconsidered, will likely submarine any progress on a "big, bold, and bipartisan" infrastructure package that leadership states they are committed to. More discussion is included in attached report from Key Advocates.

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

As previously reported, 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.

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

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Robert Briant, Jr. – Chairman

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 • NYSLECET • Ohio Contractors Association • Public Works Contractors Association of Maryland • Tennessee RoadBuilders 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



Chair DeFazio, Subcommittee Chair Napolitano, and Representatives Don Young and John Katko, now has **39 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.

On May 22, the House Energy and Commerce Committee held a hearing on H.R. 2741, the “Leading Infrastructure for Tomorrow’s America Act.” Regarding safe drinking water, the bill includes the following major provisions:

- Extend and increase 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 along with the funding extension.
- Fund grants up to \$2.5 billion over five years to affected water systems to combat PFAS contamination. The legislation further directs the EPA Administrator to create a list of eligible treatment technologies, defined as those that can remove all detectable amounts of PFAS from drinking water.

KEY ADVOCATES REPORT

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

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June 2019 Insights

Infrastructure

Following the contentious “infrastructure meeting” between the President and congressional Democrats, we contacted the Administration and the Congress to see what the plans are, if any, for going forward on a major infrastructure bill. Regarding the Administration, via the Department of Transportation which has the lead on the issue, we were told that the President still wants to do Infrastructure - as he said, “it’s what I do” - and that DOT has not been told to stand down regarding its ongoing infrastructure discussions with the Congress. Also, regarding the President’s comment that he would not work with the Congress on Infrastructure, or for that matter on any major policy issue, agreement was reached recently between the White House and the Congress on a disaster relief appropriations bill and discussions are ongoing on raising the debt limit. Lastly, recent press reports now say that the President will work with the Congress on major policy issues. Regarding the Senate, Senator Schumer has called on his fellow senators, including Republicans, to move forward on an infrastructure bill. Per his staff, he wants a large, well-funded, and clean bill. His staff reported that the Senator believes just because the President doesn’t want to lead on the effort doesn’t mean that Congress’ work on infrastructure is over.

And, the Senate Environment and Public Works Committee is still on target for markup of a highway bill before August, which could be the cornerstone of a Senate mega infrastructure bill. In the House, Speaker Pelosi’s staff said that Democrats still want to push something on infrastructure even after talks broke down with the White House and the Speaker remains committed to an infrastructure package that is big, bold and bipartisan. Chairman DeFazio has targeted winter for having a highway bill in conference with the Senate. That bill was always thought to be the cornerstone – along with DeFazio’s water and ports bills – of a House mega infrastructure bill. Regarding congressional Republicans, except for a few Members, such as Congressman Rodney Davis, Ranking Member of the T&I Highway and Transit Subcommittee, and Senator Wicker, Chairman of the Commerce Committee, they have been silent on infrastructure deferring to the White House. In addition, on May 21, Congressman Earl Blumenauer, a Ways and Means Committee Democrat, introduced a bill (H.R. 2864 – official title and text not yet available) that would raise the gas tax by five cents per year and then replace it with something not yet specified. Under the bill, the gas tax would rise to 23.3 cents per gallon in 2020 until reaching 43.3 cents per gallon after 2023. It would also be indexed to inflation.

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

On May 22, the House Energy and Commerce Committee held a hearing on H.R. 2741, the “Leading Infrastructure for Tomorrow’s America Act.” Regarding safe drinking water, the bill includes the following:

Title II—Drinking Water Infrastructure

Subtitle A. Providing Financial Assistance for Safe Drinking Water Act

This subtitle would amend the Safe Drinking Water Act to require the Environmental Protection Agency (EPA) Administrator to establish, within 180 days of enactment, a program to award grants to water systems affected by contamination from per- or polyfluoroalkyl substances (PFAS) to pay the capital costs associated with eligible treatment technologies. These grants would provide up to \$2.5 billion over five years to affected water systems to combat PFAS contamination. The legislation further directs the EPA Administrator to create a list of eligible treatment technologies, defined as those that can remove all detectable amounts of PFAS from drinking water.

Subtitle B. Additional Drinking Water Funding

The LIFT America Act includes provisions to extend and increase 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 along with the funding extension.

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 26— 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 39 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 although he has introduced two bills (on April 2 and May 16), both entitled the “Smart Energy and Water Efficiency Act of 2019,” one referred to the Science Committee, the other to the Energy and Commerce, Natural Resources and T&I Committees. Update request pending with McNerney’s staff.

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 Interior Appropriations Bill

On May 22, the House Appropriations Committee reported its version of the FY20 Interior Appropriations Bill which provides \$1.810B for the Clean Water SRF, \$1.3B (the amount authorized by the Americas Water Infrastructure Act of 2018) for the Safe Drinking Water SRF, and \$50M for WIFIA. The fact that the appropriators provided up to the authorized level for the Safe Drinking Water SRF argues for enactment of authorization levels above the \$1.8B for the Clean Water SRF. The DeFazio bill authorizes \$4B for the CWSRF for each of the next five fiscal years. No action to date on the Senate bill.

FY20 Energy and Water Appropriations Bill

On May 21, the House Appropriations Committee reported its version of the FY20 Energy and Water Appropriations bill which provides \$63.617M for Title XVI (of which \$10M is for the Title XVI WIIN grant program) and \$60M for WaterSMART, and lists the names of the FY18 USBR Title XVI grant awardees, as required by law. No action to date on the Senate bill.

FY20 Transportation Appropriations Bill

On May 23, the House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies approved its FY20 bill. In total, the legislation provides \$137.1 billion in budgetary resources, an increase of \$6 billion above the 2019 enacted level and \$17.3 billion above the President's budget request. The bill next heads to the full Committee for markup. Details forthcoming.

FY20 Congressional Budget Resolution

The FY20 Congressional Budget Resolution process has stalled because of the different views regarding defense spending versus non-defense spending, the size of the deficit, and overall program priorities. The Senate bill - S. Con. Res. 12 - has been ready for Floor consideration since April 1; the House bill - H.R. 2021 - has been ready for Floor consideration since April 9. No further action as yet given the uncertainty of votes.

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.^[L]_[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

[H.R.1586](#) — 116th Congress (2019-2020)

BRIDGE Act of 2019

Sponsor: [Rep. Butterfield, G. K. \[D-NC-1\]](#) (Introduced 03/07/2019) Cosponsors: (0)

Committees: House - Energy and Commerce, Education and Labor