



**ROBERT A. BRIANT, JR.**  
Chairman

**January 8, 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

**TAX REFORM CLEARS WAY FOR INFRASTRUCTURE PACKAGE**

With tax reform achieved, all signals point towards the much-discussed infrastructure package proceeding. As reinforced in the included reported from CWCC representative Sante Esposito, it was reported recently that the White House plans to send to Congress “a detailed infrastructure principles document” (possibly a 70-page document) next month. The plan is expected to emphasize a greater role for states and localities in funding their infrastructure needs (with or without private sector involvement) and to promote that via four pots of money – repatriated funds, general revenues from budget cuts, tax incentives, and public-private partnership arrangements. Congress has settled into a “wait and see” approach.

**FY18 Appropriations Status**

The President signed a short-term spending bill that will keep the government funded through Jan. 19th. No break-throughs on a longer-term deal have been reported.

**CWCC JOINS US WATER ALLIANCE**

The CWCC has joined the US Water Alliance, a member-supported national nonprofit organization focused on educating the nation about the true value of water and proactively advances policies and programs that manage water resources. This includes strong advocacy for maintenance and investment in water infrastructure. The Alliance membership was lacking in representation from the construction industry and we fully expect by participating we will add value to the national discussion while directly benefiting CWCC membership.

Staff is scheduling a membership onboarding call in the coming weeks so that we fully understand the best ways to engage with the Alliance network and take advantage of member benefits. We expect staff from the Alliance to participate at the DC Fly In in some capacity. In the meantime, more information on the US Water Alliance can be found at: [www.uswateralliance.org](http://www.uswateralliance.org)

**KEY ADVOCATES REPORT**

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



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## *January 2018 Insights*

### **Administration Infrastructure Initiative**

At the outset of his presidency, President Trump announced his top three legislative policies (in order of priority and timing): health care reform, tax reform and infrastructure. Health care reform was tried and is now on the back burner although indications are that there may be another run at it early next year but in a more behind the scenes manner to avoid another public debacle if it were to fail again. And, this month tax reform was enacted into law. Given that, the door has basically now been opened to address a mega infrastructure effort. In fact, it was reported recently that the White House plans to send to Congress "a detailed infrastructure principles document" (possibly a 70-page document) next month. The plan is expected to emphasize a greater role for states and localities in funding their infrastructure needs (with or without private sector involvement) and to promote that via four pots of money – repatriated funds, general revenues from budget cuts, tax incentives, and public-private partnership arrangements. Lawmakers on the transportation policy committees in Congress have been anxiously awaiting the Trump administration plan, in large part because they don't want to get ahead of the White House on what has long been touted as the final part of a legislative priority trilogy with the potential to attract Democratic buy-in. But as always, the devil is in the details, and Members aren't likely to simply embrace budget cuts as one of the ways to raise the \$200 billion federal share of the \$1 trillion package, as the White House envisions. Even House Transportation Chairman Bill Shuster is cautious about embracing all aspects of the details that have emerged thus far. When asked about the White House's focus on incentivizing spending at the state and local levels, Shuster said he needs to "see exactly what they mean by it." "Some of it sounds a little bit like devolution, and I've not talked to a single governor that wants the federal government not to have a role," he added. "It's a national transportation system." Separately, Shuster said he huddled with Speaker Ryan to talk infrastructure, and met with President Trump in what both described as a productive session .

### **Senate Infrastructure Initiatives**

Generally, given the "nearness" of the infrastructure issue, the recent focus on tax reform, and the upcoming recess, except for occasional movement regarding cosponsors on key infrastructure bills, both Houses have settled into a "wait and see" from the Administration.

In the Senate, 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 their 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 to 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.

Most recently, have discussed infrastructure priorities with the Problem Solvers Caucus. The goal of the Caucus is to support bipartisan solutions to legislative and policy issues. It was created in January 2017, consists of approximately 40 members equally divided between Republicans and Democrats, and is co-chaired by Reps Tom Reed (R-NY) and Josh Gottheimer (D-NJ). They agree to vote for any proposal that garners the support of 75 percent of the Caucus as well as 51 percent of both the Republicans and Democrats in the Caucus. They were somewhat active during the health care reform effort. Most recently, they have created an infrastructure task force led by Congressman John Katko (R-NY)). The task force announced that it is preparing to issue a report soon with its proposals on infrastructure. According to Katko, they want to be ready to strike as soon as the tax debate concludes. “We’re going to be loud about this,” Katko was quoted as saying.

### **FY18 Appropriations Status**

The President signed a short-term spending bill, which also provides a short-term extension of a children’s health insurance program and federal surveillance powers, that will keep the government funded through Jan. 19 but an earlier White House meeting between Trump and congressional leadership produced no break-through on a two-year deal. Democrats want a DACA extension, Republicans want wall funding. Democrats want domestic spending parity for any military spending increase. Republicans don’t. 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

## Earmarks

No further developments. Still pressing for return of earmarks, at least with respect to the upcoming mega infrastructure bill.

## Bill Tracking

**Note the new 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 further: the summary of text will only be included once and not repeated.**

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 **Latest Action:** 01/11/2017 Referred to the House Committee on 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:** 01/03/2017 Referred to House Agriculture

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

7) **Committees:** House - Transportation and Infrastructure **Latest Action:** 01/12/2017  
Referred to the House Committee on 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 79)

**Committees:** House - Energy and Commerce, Transportation and Infrastructure, Financial Services, Ways and Means

**Latest Action:** 01/13/2017 Referred to House 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

**Latest Action:** 05/26/2017 Referred to the Subcommittee on Indian, Insular and Alaska Native Affairs.

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

**Latest Action:** 01/03/2017 Referred to the House Committee on Transportation and Infrastructure.

This bill revises requirements for the surface transportation block grant program to increase the percentages of program funds required to be allocated to states for each of FY2018-FY2020 for surface transportation projects in: urbanized areas with a population of over 200,000, non-urban areas with a population greater than 5,000, and other areas of the state.

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

**Latest Action:** 01/12/2017 Referred to the House Committee on Natural Resources

This bill amends the National Environmental Policy Act of 1969 (NEPA) to authorize: (1) the assignment to states of federal environmental review responsibilities under NEPA and other relevant federal environmental laws for covered federal projects, and (2) states to assume all or part of those responsibilities. Each responsible federal official who is authorized to assign such responsibility must promulgate regulations that establish requirements relating to information required to be contained in state applications to assume those responsibilities. An official may approve an application only if: (1) public notice requirements have been met, (2) the state has the

capability to assume the responsibilities, and (3) the head of the state agency having primary jurisdiction over covered projects enters into a written agreement with an official to assume the responsibilities and to maintain the financial resources necessary to carry them out. The officials must audit state compliance with federal laws for which responsibilities are assumed. The officials may terminate the responsibilities assigned to states after providing notice to states of any noncompliance and an opportunity to take corrective action.

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

**Latest Action:** 02/07/2017 Referred to House Budget Committee

This bill provides \$500 million in supplemental FY2017 appropriations to the Department of Transportation for national infrastructure investments under a competitive grant program commonly known as the Transportation Investment Generating Economic Recovery (TIGER) program. At least \$100 million of the funds must be used for projects located in cities with populations between 10,000 and 50,000.

The funding provided by this bill is designated as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. The emergency funding is exempt from discretionary spending limits and is only available if the President subsequently designates the amounts as an emergency and submits the designation to Congress.

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

**Latest Action:** 04/05/2017 Read twice and referred to the Committee on Environment and Public Work.

This bill directs the Department of Transportation to establish a program to assist states to rehabilitate or replace bridges found to be structurally deficient. States shall use apportioned program funds for projects to rehabilitate and replace such bridges.

The federal share of project costs is 100%. Prevailing rate of wage requirements for construction of federal-aid highways projects shall apply to such projects.

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

**Latest Action:** 03/23/2017 Referred to the Subcommittee on Water Resources and Environment

This bill amends the Internal Revenue Code, with respect to the taxation of earnings and profits of a deferred foreign income corporation, to: (1) make such earnings and profits subject to taxation in the last year that ends before the enactment of this bill; (2) reduce the tax rate on such earnings and profits by allowing an exemption of 75% (equal to a tax of 8.75% of repatriated

earnings and profits); and (3) allow corporations to pay the tax in installments. The bill also: establishes and provides appropriations for a fund to assist various public and private entities in investing in public infrastructure projects, appropriates revenues from this bill to the Highway Trust Fund (HTF), establishes a commission to make recommendations to achieve long-term solvency of the HTF and requires Congress to consider the proposed legislation using expedited procedures, and directs the Department of Transportation to establish a regional infrastructure accelerator pilot program to assist public entities in developing infrastructure projects. The bill establishes a deadline of 18 months after the enactment of this bill for the enactment of legislation to reform the international tax system by eliminating the incentive to hold earnings in low-tax foreign jurisdictions. If the legislation is not enacted by the deadline, a specified reform proposal takes effect, which includes provisions relating to subpart F income and insurance income, the taxation of repatriated offshore corporate earnings, gains and losses from the sale or exchange of stock in controlled foreign corporations, limitations on the foreign tax credit, and the tax treatment of previously deferred foreign income.

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

**Latest Action:** 03/23/2017 Referred to the Subcommittee on Water Resources and Environment

This bill establishes the American Infrastructure Fund (AIF) as a wholly-owned government corporation to provide bond guarantees and make loans to state and local governments, non-profit infrastructure providers, private parties, and public-private partnerships for state or local government sponsored transportation, energy, water, communications, or educational facility infrastructure projects (Qualified Infrastructure Projects [QIPs]). The AIF may also to make equity investments in QIPs. The Department of the Treasury, acting through the AIF, shall issue American Infrastructure Bonds with an aggregate face value of \$50 billion. The proceeds from the sale of the bonds shall be deposited into the AIF. The bill amends the Internal Revenue Code to allow U.S. corporations to exclude from gross income qualified cash dividend amounts received during a taxable year from a foreign-controlled corporation equal to the face value of qualified infrastructure bonds the corporation has purchased.

The bill prohibits allowance of a foreign tax credit for the excluded portion of any dividend received by a U.S. corporation, and a deduction for expenses directly allocable to that excludable portion.

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

**Latest Action:** 08/03/2017 Read twice and referred to the Committee on Environment and Public Works.

Status Update: no change since the last report.