November 3, 2017

TRUMP ADMINISTRATION FINALIZES INFRASTRUCTURE INITIATIVE

Clean Water Construction Coalition representatives have been informed that the Trump Administration has completed a final version of their “Infrastructure Principles 2.0” and obtained sign off by all the relevant Federal agencies. Administration officials have shared the document with a few selected Members of Congress, but have otherwise held the document close to the vest. The timing of the release has not changed, with the Administration still planning to pass tax reform before moving on to an infrastructure initiative.

What we do know from direct discussions with Administration officials, is that the plan will propose a $1 trillion, 10-year program funded by a one-time repatriation of $200 billion; that it is multifaceted in terms of infrastructure modes; that it relies heavily on non-Federal funding to leverage greater investment; and that it provides various incentives to solicit non-Federal funding support. Despite the Administration’s stated reliance on non-federal sources, the President has been quoted on more than one occasion in recent weeks walking back his support of P3s, stating that a tax overhaul would provide the necessary funding.

SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE CHAIRMAN BARRASSO AND DEMOCRAT COMMITTEE MEMBERS CONTINUE TO DEVELOP INFRASTRUCTURE PROPOSAL

On October 19, CWCC representative Sante Esposito met with John Kane and Christina Marie Baysinger, both Counsel and Democratic staff of the Environment and Public Works Committee (EPW). Both indicated that EPW Chairman John Barrasso (R-WY) has been working on an individual bill not yet shared with committee staff.

More importantly, Kane said that he has drafted language on behalf of the Senate Democrat Committee members that would create a new account within the SRF programs that would provide funds for grants, in addition to loans. Kane went on to say that the Democrats are not convinced that the SRFs are underfunded, and that the proposed grant approach would not raise the authorization levels for the SRFs. Also unclear with this grant approach is which projects would be eligible – all projects, special priority projects such as low income areas, rural areas or Flint lead crisis type projects. Sante asked about the likelihood of a Blumenauer-style voluntary fee proposal being included in a Senate infrastructure bill, but Kane indicated that it is not being considered at this time.
Instead of individual “specific asks,” all Committee Dems signed a letter that allocates EPW’s $625B as follows:

- $100B for roads and bridges
- $100B for local priorities
- $10B for TIGER
- $200B for major infrastructure projects
- $110B for drinking and wastewater
- $10B for ports
- $60B for Corps projects,
- $25B for disasters
- $10B for leveraging projects

HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE REPUBLICANS PLAN TO FOCUS FIRST ON FAA REAUTHORIZATION BILL

In the House, CWCC representatives met with Ward McCarragher, Democratic Chief Counsel for the House Committee on Transportation and Infrastructure (T&I) to discuss the Clean Water SRF. He said that at this time there is no interest from the Committee Republicans to do anything on infrastructure, and that the Committee’s focus is on the FAA reauthorization bill. Congressman Peter DeFazio (D-OR-4), Ranking Member of T&I Committee, has forwarded his infrastructure proposals to the White House, three of the four having their own funding source. As the CWCC previously reported, Congressman DeFazio, John J. Duncan, Jr. (R-TN-2), Ranking Republican on the Committee, and Grace Napolitano (D-CA-32), Ranking Democratic Member on the House Subcommittee on Water Resources, introduced H.R. 2510, the “Water Quality Protection and Job Creation Act of 2017.” The bill includes $20 billion for Clean Water SRF, $375 million for the Alternative Water Source Program and numerous other funding programs.

Also this month, Sante met with Andrew Noh, Legislative Director for Congressman Jimmy Gomez (D-CA-34) to introduce our Coalition and learn more about the “Rebuild America” Task Force. There are four members on it - Representatives Matt Cartwright (D-PA-17), Donald Norcross (D-NJ-1), Bonnie Watson Coleman (D-NJ-12), and Congressman Gomez. The goal is to produce a guiding document by the end of the year and possibly legislation and/or a white paper. They are trying to push the Administration toward a tangible infrastructure plan instead of just guiding principles. The Task Force is taking a broad view toward infrastructure, and Sante made a strong pitch for the SRFs.

Key Advocates also met with Patrick Arness, Legislative Director for Congressman Jerry McNerney (D-CA-9) to discuss the Coalition’s continued support for the Congressman’s “WEST” Act (H.R. 3275). The legislation reauthorizes the Clean Water SRF at $2 billion for FY18 and $2.4 billion for FY19, the Safe Drinking Water SRF at $1.2 billion for FY18 and FY19, and authorizes $375 million for the Alternative Water Source Program.

MISCELLANEOUS RELATED CONGRESSIONAL ACTIONS

• House Clean Water Caucus
  On October 20 the Caucus hosted an event on recycled water entitled “Why Recycled Water is Critical to our Nation’s Prosperity” - a primer on recycled water demonstrating how it can provide a reliable supply of water now and in the future.

• Hearings
  The Senate Energy and Natural Resources Committee held a bipartisan roundtable on October 3 to discuss opportunities to reduce federal red tape for aquifer recharge when it does not impact other water users, fully respects state primacy on groundwater, and complies with state water law. Of note, and
referenced therein, was mention of a legislative package under development that will build on proposals discussed over the last several years and advance policy to encourage development of needed water infrastructure, remove barriers to better management of existing infrastructure, and increase supply certainty for communities so they can attract greater private investment and innovation in water projects.

• FY18 Appropriations Status
To date, the focus of the appropriations process has continued to focus on disaster relief assistance. To review, last month Congress passed an FY18 Continuing Resolution funding the government at FY17 levels until December 8. On September 8 the President signed into law H.R. 601 that provides $15.25B for disaster relief efforts from Hurricanes Harvey and Irma. No bills have seen Floor action in either House.

• Earmarks
Waiting to hear back from staff of Congressman Mike Rogers (R-AL-3), one of the Members who offered an amendment at the Republican Caucus to repeal the earmark ban, regarding the latest. Key Advocates has stressed to Members that they don’t have to completely repeal the earmark ban at this time (pending further consideration), but rather they could simply waive the ban with respect to a mega infrastructure bill.
Hill Meetings

On Thursday, Oct. 19, Key Advocates did a number of staff meetings on the Hill. The results of the meetings are incorporated in the subject issues below.

Administration Infrastructure Initiative

The latest from the Administration is that they have a final version of their “Infrastructure Principles 2.0” signed off by all the relevant Federal agencies. They have shared that with a few selected Members of Congress. Other than those, the document has been held very closely by Administration officials. The current plan is to not unveil it until after tax reform has been completed although we suspect leaks will be forthcoming. What we do know from asking Administration officials is that it does propose a $1 trillion 10-year program funded by a one-time repatriation of $200 billion; that it is multifaceted in terms of infrastructure modes; that it relies heavily on leveraged non-Federal funding investments – from state and local governments and the private sector; and, that it provides various incentives to solicit non-Federal funding support. The President has been quoted recently on more than one occasion in opposition to 3 P’s notwithstanding the fact the leveraging assumed in the Administration’s proposal relies heavily on 3P’s. As reported previously, the Administration will defer to the Congress on the drafting of a bill.

Senate Infrastructure Initiatives

One of the meetings was with John Kane, Counsel, and Christina Marie Baysinger, Counsel, Democratic staff of the Environment and Public Works Committee (EPW). They indicated that Senator Barrasso, Chair of EPW, was drafting legislative language that the Committee Dems have not seen. Kane referred to Barrasso as a “lone operator.” Kane said what is needed is consensus, not just action by one committee. He said that any infrastructure bill has to include “real” money for the SRF’s – that is, authorizations that partner with appropriations to ensure funding. However, and most importantly, he said that he has drafted language that would create a new account out of the SRF’s for grant funds, not loans. He said that the Dems are not convinced that the SRF’s are underfunded. Such an approach would NOT raise the authorization levels for the SRF’s. The latter is contingent on knowing that the current programs are working. What is unclear with his grant approach is what projects would be eligible – low income areas, rural areas, Flint, MI type situations, only or what. We asked about the Blumauer voluntary fee proposal and the likelihood of inclusion in a Senate infrastructure bill. He said that it is not being considered right now, the focus being on what the Committee has to spend and how to spend it.
Instead of individual “specific asks,” all Committee Dems signed a letter that allocates EPW’s $500B (actually the letter allocates $625B) as follows: $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. These allocations are theoretically part of the so-called “gang of eight” Democratic Leadership Senators’ outline of a $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).

**House Infrastructure Initiatives**

One of the meetings was with **Andrew Noh**, LD, Congressman Jimmy Gomez (D-CA-34) to introduce the Coalition and learn more about the “Rebuild America” Task Force. There are four members on it - Representatives Matt Cartwright (D-PA-17), Donald Norcross (D-NJ-1), Bonnie Watson Coleman (D-NY-12), and Gomez. The goal is to produce a guiding document by the end of the year – possibly legislation and/or a white paper. They are trying to push the Administration toward an infrastructure plan and not just principles. They are taking a broad view toward infrastructure. We made a strong pitch for the SRF’s. This month the Task Force held a Member level forum on general infrastructure including water.

We also met with **Patrick Arness**, LD, Congressman Jerry McNerney (D-CA-9) to discuss the Coalition’s continued support for the Congressman’s “WEST” Act (H.R. 3275). The bill reauthorizes the Clean Water SRF at $2 billion for FY18 and $2.4 billion for FY19, the Safe Drinking SRF at $1.2 billion for FY18 and FY19, and authorizes $375 million for the Alternative Water Source program.

We also met with **Ward McCarragher**, Democratic Chief Counsel, House Committee on Transportation and Infrastructure to discuss the Clean Water SRF regarding the infrastructure initiative. He said at this time there is no interest from the Committee Republicans to do anything on infrastructure. Other than for the various infrastructure hearings they are holding, the Committee’s focus is on the FAA reauthorization bill. The Repubs are waiting on the Administration’s principles and not just generalities. The outlook in the Committee for an infrastructure bill is uncertain at best with so many variables at play. Congressman Peter DeFazio (D-OR-4), Ranking Member of the House Committee on Transportation and Infrastructure, has conveyed his infrastructure proposals to the White House, three of the four having their own funding source. To review, he, John J. Duncan, Jr. (R-TN-2), Ranking Republican on the Committee, and Grace Napolitano (D-CA-32), Ranking Democratic Member on the House Subcommittee on Water Resources, introduced H.R. 2510, the “Water Quality Protection and Job Creation Act of 2017.” The bill includes $20 billion for Clean Water SRF, $375 million for Alternative Water Source Program and numerous other funding programs.

Regarding non-meeting issues, to review, in the House of Representatives, on July 27, by a bipartisan voice vote, the House Committee on Energy and Commerce favorably reported H.R.3387, the “Drinking Water System Improvement Act,” which reauthorizes the Safe
Drinking SRF at $8 billion over the next five fiscal years. This action is significant as the program has not been reauthorized since 2002 and because it has also triggered action in the House Transportation and Infrastructure Committee to address reauthorization of the Clean Water SRF that falls under its jurisdiction. Of note, this is a bipartisan effort.

Also to review, on March 23, Congressman Earl Blumenauer (D-OR-3) introduced H.R. 1647, the "Water Infrastructure Trust Fund Act of 2017," with the Coalition cited as one of the supporting entities. The bill establishes a Water Infrastructure Investment Trust Fund and appropriates to it amounts equivalent to the 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. Of note, Congressman Dan Lipinski (D-IL-3), the co-chair of the House Clean Water Caucus, recently signed on the bill as a cosponsor.

House Clean Water Caucus

On Oct. 20 the Caucus hosted an event on recycled water entitled “Why Recycled Water is Critical to our Nation’s Prosperity.” - a primer on recycled water demonstrating how it can provide a reliable supply of water now and in the future. To demonstrate one successful approach, Paul Sciuto, General Manager, Monterey One Water, described its innovative groundwater replenishment project, “Pure Water Monterey.”

Hearings

The House Transportation and Infrastructure Committee continued its series of hearings on “Building a 21st Century Infrastructure for America” with a hearing on Oct. 3 on the Coast Guard, Oct. 4 on rail and Oct. 11 on highways and transit. Previously, starting Feb. 1, the Committee has held infrastructure hearings on aviation, brownfields, coast guard, economic development, highway safety, intercity passenger rail and water.

The Senate Energy and Natural Resources Committee held a bipartisan roundtable on Oct. 3 to discuss opportunities to reduce federal red tape for aquifer recharge when it does not impact other water users, fully respects state primacy on groundwater, and complies with state water law. Of note, and referenced therein, was mention of a legislative package under development that will build on proposals discussed over the last several years and advance policy to encourage development of needed water infrastructure, remove barriers to better management of existing infrastructure, and increase supply certainty for communities so they can attract greater private investment and innovation in water projects.

The Subcommittee on Water Resources and Environment of the Transportation and Infrastructure Committee held a field hearing on Oct. 27 in the Cruise Terminal B at the Port of Miami on “America’s Water Resources Infrastructure: Concepts for the Next Water Resources Development Act.” The purpose of the roundtable was to define the challenges states and communities face in rebuilding and determining possible solutions to address America’s water
FY18 Appropriations Status

To date, the focus of the appropriations process has been on disaster relief assistance. On Sept. 8 the President signed into law H.R. 601 that provides $15.25B for disaster relief efforts from Hurricanes Harvey and Irma. As to the regular appropriations process, 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.

To review, last month Congress passed an FY18 Continuing Resolution funding the government at FY17 levels until December 8. Pending that, the focus in the appropriations process has been on hurricane relief funding. Both of these actions have slowed up the normal appropriations process. However, in an attempt to expedite matters, on Sept. 14 the House of Representatives passed a package of funding bills (H.R. 3354) to provide all discretionary funding for the federal government for the 2018 fiscal year. The bill, also known as the Make America Secure and Prosperous Appropriations Act, was passed on a vote of 211-198. The package of bills contains the full legislation and funding for all of the 12 annual appropriations bills and totals $1.2 trillion. No Senate action to date.

FY18 Interior Appropriations

To review, on July 18, the House Appropriations Committee approved the FY18 Interior and Environment Appropriations bill on a vote of 30-21. The legislation includes funding for the Department of the Interior, the Environmental Protection Agency, the Forest Service, the Indian Health Service, and various independent and related agencies. In total, the bill provides $31.4 billion, $824 million below the FY17 enacted level and $4.3 billion above the President’s budget request. For the Clean Water SRF the bill provides $1,143,887,000 (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

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. These projects potentially include the Maryland Purple Line, Santa Ana, CA Streetcar, Seattle Lynwood Link Extension, and two projects in Minneapolis. The Administration had not requested any funding for projects without an existing FFGA. $150M is provided for existing Small Start projects and $168.4M for new Small Starts. The Senate included language similar to that in the House report which directs the DOT Secretary to continue to advance eligible projects through the CIG rating and approval process.
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.

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**Earmarks**

Waiting to hear back from staff of Congressman Mike Rogers (R-AL-3), one of the Members who offered an amendment at the Republican Caucus to repeal the earmark ban, regarding the latest. Key Advocates has stressed to Members that they don’t have to completely repeal the earmark ban at this time (pending further consideration), but rather they could simply waive the ban with respect to a 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:** (8) **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.
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.

To amend the Federal Water Pollution Control Act to provide for an integrated planning and permitting process, and for other purposes.  
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  
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.1670 — 115th Congress (2017-2018)  
Infrastructure 2.0 Act  
Cosponsors: (20)  
Committees: House - Ways and Means, Transportation and Infrastructure, Rules  
Latest Action: 03/23/2017 Referred to the Subcommittee on Water Resources and Environment

Status Update: no change since the last report.

H.R.1669 — 115th Congress (2017-2018)  
Partnership to Build America Act of 2017  
Cosponsors: (23, now 26)  
Committees: House - Transportation and Infrastructure, Ways and Means  
Latest Action: 03/23/2017 Referred to the Subcommittee on Water Resources and Environment

Status Update: no change since the last report.

H.R.2479 — 115th Congress (2017-2018)  
Leading Infrastructure for Tomorrow's America Act  
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
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
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.
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.

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.

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Senate Infrastructure Initiatives

One of the meetings was with John Kane, Counsel, and Christina Marie Baysinger, Counsel, Democratic staff of the Environment and Public Works Committee (EPW). They indicated that Senator Barrasso, Chair of EPW, was drafting legislative language that the Committee Dems have not seen. Kane referred to Barrasso as a “lone operator.” Kane said what is needed is consensus, not just action by one committee. He said that any infrastructure bill has to include “real” money for the SRF’s – that is, authorizations that partner with appropriations to ensure funding. However, and most importantly, he said that he has drafted language that would create a new account out of the SRF’s for grant funds, not loans. He said that the Dems are not convinced that the SRF’s are underfunded. Such an approach would NOT raise the authorization levels for the SRF’s. The latter is contingent on knowing that the current programs are working. What is unclear with his grant approach is what projects would be eligible – low income areas, rural areas, Flint, MI type situations, only or what. We asked about the Blumauer voluntary fee proposal and the likelihood of inclusion in a Senate infrastructure bill. He said that it is not being considered right now, the focus being on what the Committee has to spend and how to spend it.
Instead of individual “specific asks,” all Committee Dems signed a letter that allocates EPW’s $500B (actually the letter allocates $625B) as follows: $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. These allocations are theoretically part of the so-called “gang of eight” Democratic Leadership Senators’ outline of a $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).

House Infrastructure Initiatives

One of the meetings was with Andrew Noh, LD, Congressman Jimmy Gomez (D-CA-34) to introduce the Coalition and learn more about the “Rebuild America” Task Force. There are four members on it - Representatives Matt Cartwright (D-PA-17), Donald Norcross (D-NJ-1), Bonnie Watson Coleman (D-NY-12), and Gomez. The goal is to produce a guiding document by the end of the year – possibly legislation and/or a white paper. They are trying to push the Administration toward an infrastructure plan and not just principles. They are taking a broad view toward infrastructure. We made a strong pitch for the SRF’s. This month the Task Force held a Member level forum on general infrastructure including water.

We also met with Patrick Arness, LD, Congressman Jerry McNerney (D-CA-9) to discuss the Coalition’s continued support for the Congressman’s “WEST” Act (H.R. 3275). The bill reauthorizes the Clean Water SRF at $2 billion for FY18 and $2.4 billion for FY19, the Safe Drinking SRF at $1.2 billion for FY18 and FY19, and authorizes $375 million for the Alternative Water Source program.

We also met with Ward McCarragher, Democratic Chief Counsel, House Committee on Transportation and Infrastructure to discuss the Clean Water SRF regarding the infrastructure initiative. He said at this time there is no interest from the Committee Republicans to do anything on infrastructure. Other than for the various infrastructure hearings they are holding, the Committee’s focus is on the FAA reauthorization bill. The Repubs are waiting on the Administration’s principles and not just generalities. The outlook in the Committee for an infrastructure bill is uncertain at best with so many variables at play. Congressman Peter DeFazio (D-OR-4), Ranking Member of the House Committee on Transportation and Infrastructure, has conveyed his infrastructure proposals to the White House, three of the four having their own funding source. To review, he, John J. Duncan, Jr. (R-TN-2), Ranking Republican on the Committee, and Grace Napolitano (D-CA-32), Ranking Democratic Member on the House Subcommittee on Water Resources, introduced H.R. 2510, the “Water Quality Protection and Job Creation Act of 2017.” The bill includes $20 billion for Clean Water SRF, $375 million for Alternative Water Source Program and numerous other funding programs.

Regarding non-meeting issues, to review, in the House of Representatives, on July 27, by a bipartisan voice vote, the House Committee on Energy and Commerce favorably reported H.R. 3387, the “Drinking Water System Improvement Act,” which reauthorizes the Safe
Drinking SRF at $8 billion over the next five fiscal years. This action is significant as the program has not been reauthorized since 2002 and because it has also triggered action in the House Transportation and Infrastructure Committee to address reauthorization of the Clean Water SRF that falls under its jurisdiction. Of note, this is a bipartisan effort.

Also to review, on March 23, Congressman Earl Blumenauer (D-OR-3) introduced H.R. 1647, the "Water Infrastructure Trust Fund Act of 2017," with the Coalition cited as one of the supporting entities. The bill establishes a Water Infrastructure Investment Trust Fund and appropriates to it amounts equivalent to the 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. Of note, Congressman Dan Lipinski (D-IL-3), the co-chair of the House Clean Water Caucus, recently signed on the bill as a cosponsor.

**House Clean Water Caucus**

On Oct. 20 the Caucus hosted an event on recycled water entitled “Why Recycled Water is Critical to our Nation’s Prosperity.” - a primer on recycled water demonstrating how it can provide a reliable supply of water now and in the future. To demonstrate one successful approach, Paul Sciuto, General Manager, Monterey One Water, described its innovative groundwater replenishment project, “Pure Water Monterey.”

**Hearings**

The House Transportation and Infrastructure Committee continued its series of hearings on “Building a 21st Century Infrastructure for America” with a hearing on Oct. 3 on the Coast Guard, Oct. 4 on rail and Oct. 11 on highways and transit. Previously, starting Feb. 1, the Committee has held infrastructure hearings on aviation, brownfields, coast guard, economic development, highway safety, intercity passenger rail and water.

The Senate Energy and Natural Resources Committee held a bipartisan roundtable on Oct. 3 to discuss opportunities to reduce federal red tape for aquifer recharge when it does not impact other water users, fully respects state primacy on groundwater, and complies with state water law. Of note, and referenced therein, was mention of a legislative package under development that will build on proposals discussed over the last several years and advance policy to encourage development of needed water infrastructure, remove barriers to better management of existing infrastructure, and increase supply certainty for communities so they can attract greater private investment and innovation in water projects.

The Subcommittee on Water Resources and Environment of the Transportation and Infrastructure Committee held a field hearing on Oct. 27 in the Cruise Terminal B at the Port of Miami on “America’s Water Resources Infrastructure: Concepts for the Next Water Resources Development Act.” The purpose of the roundtable was to define the challenges states and communities face in rebuilding and determining possible solutions to address America’s water
infrastructure needs. Participants included representatives from mostly Florida public and private stakeholder groups with an interest in water resources infrastructure

FY18 Appropriations Status

To date, the focus of the appropriations process has been on disaster relief assistance. On Sept. 8 the President signed into law H.R. 601 that provides $15.25B for disaster relief efforts from Hurricanes Harvey and Irma. As to the regular appropriations process, 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.

To review, last month Congress passed an FY18 Continuing Resolution funding the government at FY17 levels until December 8. Pending that, the focus in the appropriations process has been on hurricane relief funding. Both of these actions have slowed up the normal appropriations process. However, in an attempt to expedite matters, on Sept. 14 the House of Representatives passed a package of funding bills (H.R. 3354) to provide all discretionary funding for the federal government for the 2018 fiscal year. The bill, also known as the Make America Secure and Prosperous Appropriations Act, was passed on a vote of 211-198. The package of bills contains the full legislation and funding for all of the 12 annual appropriations bills and totals $1.2 trillion. No Senate action to date.

FY18 Interior Appropriations

To review, on July 18, the House Appropriations Committee approved the FY18 Interior and Environment Appropriations bill on a vote of 30-21. The legislation includes funding for the Department of the Interior, the Environmental Protection Agency, the Forest Service, the Indian Health Service, and various independent and related agencies. In total, the bill provides $31.4 billion, $824 million below the FY17 enacted level and $4.3 billion above the President’s budget request. For the Clean Water SRF the bill provides $1,143,887,000 (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

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. These projects potentially include the Maryland Purple Line, Santa Ana, CA Streetcar, Seattle Lynwood Link Extension, and two projects in Minneapolis. The Administration had not requested any funding for projects without an existing FFGA. $150M is provided for existing Small Start projects and $168.4M for new Small Starts. The Senate included language similar to that in the House report which directs the DOT Secretary to continue to advance eligible projects through the CIG rating and approval process.
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.

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Earmarks

Waiting to hear back from staff of Congressman Mike Rogers (R-AL-3), one of the Members who offered an amendment at the Republican Caucus to repeal the earmark ban, regarding the latest. Key Advocates has stressed to Members that they don’t have to completely repeal the earmark ban at this time (pending further consideration), but rather they could simply waive the ban with respect to a 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.


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.

**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.1670 — 115th Congress (2017-2018)  
**Infrastructure 2.0 Act**  
**Sponsor:** Rep. Delaney, John K. [D-MD-6] (Introduced 03/22/2017)  
**Cosponsors:** (20)  
**Committees:** House - Ways and Means, Transportation and Infrastructure, Rules  
**Latest Action:** 03/23/2017 Referred to the Subcommittee on Water Resources and Environment  

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 26)  
**Committees:** House - Transportation and Infrastructure, Ways and Means  
**Latest Action:** 03/23/2017 Referred to the Subcommittee on Water Resources and Environment  

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
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:** (20)

**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.
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.

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