



CWCC

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 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.
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- 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

December 15, 2017

**TRUMP ADMINISTRATION INFRASTRUCTURE INITIATIVE –
 PROGRESS ANTICIPATED**

With announced progress in Congress on tax reform, it appears likely at this point that Congress will finally take up infrastructure early in the New Year.

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lthough Clean Water Construction Coalition representatives know that final principles of the Administration’s efforts have been developed, these details still have not been publicly distributed. The details remain unclear and are not expected to be unveiled until tax reform has been completed.

Recent signals sent from White House officials lead us to believe that at least one of the pots of federal funding will be tied to what states are able to leverage locally with non-federal dollars. In addition, that pot of funding is said to be flexible enough for states to decide on their own what infrastructure priorities (e.g. transportation, water, telecommunications) should be funded and how.

As previously reported, 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.

SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE

CWCC representative Sante Esposito followed up with key officials and staff of the Environment and Public Works Committee (EPW) and reinforced the importance of substantial funding increases for the Clean Water and Safe Drinking Water SRF’s in any mega infrastructure bill.

To review, 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

CWCC Representative Sante Esposito confirmed that there are discussions underway with Committee Republicans and Democrats on an infrastructure bill that would include the Clean Water SRF. T&I hearings have yet to be scheduled.

Our support for H.R. 1647, the “Water Infrastructure Trust Fund Act of 2017,” has been reemphasized with key 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.

MISCELLANEOUS RELATED CONGRESSIONAL ACTIONS

• “REBUILD AMERICA” TASK FORCE

In the House, CWCC representatives are engaged with the office of Congressman Jimmy Gomez (D-CA-34), Co-chair of the “Rebuild America” Task Force, regarding the outcome of a Member level forum on general infrastructure that was held recently.

• Earmarks

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

• FY18 Appropriations Status

The government is operating under a Continuing Resolution funding it at FY17 levels until Dec. 22nd. No bills being tracked have seen Floor action in either House.

• FY18 Interior Appropriations

To review, on July 18, the House Appropriations Committee approved the FY18 Interior and Environment Appropriations bill. 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.

KEY ADVOCATES REPORT

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



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December 2017 Insights

Follow-up Hill Meetings

Key Advocates followed-up on the Oct. 19 Hill meetings addressed in the October monthly report. The results of the follow-ups are incorporated in the subject issues below.

Administration Infrastructure Initiative

The following is what we know to date about the Administration's efforts:

- Final Principles have been developed, but not publicly distributed.
- Principles have been shared with a few select Members of Congress.
- They won't be unveiled until tax reform has been completed.
- They are still looking at a \$1 Trillion, 10-year package, with \$200 B in funding coming from repatriation.
- They anticipate this to be multi-faceted in terms of eligible types of infrastructure projects.
- It will be heavily leveraged encouraging significant shares from locals, states, etc.
- It will include incentives to solicit non-federal sources.

They are hoping tax reform gets done by the end of December. Pending that, they are then likely to take up infrastructure early in the calendar year.

Senate Infrastructure Initiatives

Reemphasized with John Kane and Christina Marie Baysinger, Counsels, Democratic staff of the Environment and Public Works Committee, the importance of substantial funding increases for the Clean Water and Safe Drinking Water SRF's in any mega infrastructure bill. While other modes will be included, SRF funding should not be at the expense of these. Also made the same point with staff of Chairman John Barrasso (R-WY). Regarding the Senate Democratic leadership – with its own \$10T infrastructure outline – we emphasized continued push for a mega infrastructure bill that provides at least triple funding for the SRF's as part of the \$1T goal.

To review, Senator Barrasso is working on a “highways only” infrastructure bill. Committee Democrats have not been involved. In fact, most of the Committee Republicans haven’t been either. The Dems want a comprehensive infrastructure package. Apparently, the Dems divided up their January infrastructure outline by Senate committees of jurisdiction. EPW was allocated \$500B. Committee Dems sent a letter to Barrasso outlining their infrastructure recommendations (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 part of the so-called “gang of eight” January 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

Waiting to hear from Andrew Noh, LD, Congressman Jimmy Gomez (D-CA-34), Co-chair of the “Rebuild America” Task Force, regarding the outcome of a Member level forum on general infrastructure that was held recently.

Confirmed with Ward McCarragher, Democratic Chief Counsel, House Committee on Transportation and Infrastructure, that there are, in fact, discussions underway with Committee Republicans on an infrastructure bill that would include the Clean Water SRF (the Safe Drinking Water SRF falls under the jurisdiction of the Energy and Commerce Committee which has already ready a bipartisan reauthorization bill - H.R.3387, the “Drinking Water System Improvement Act,” which reauthorizes the Safe Drinking SRF at \$8 billion over the next five fiscal years). All T&I subcommittees have been directed to schedule an infrastructure hearing in December.

To review, 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. 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.

Reemphasized with Patrick Arness, LD, Congressman Jerry McNerney (D-CA-9), 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.

Reemphasized with Congressman Earl Blumenauer (D-OR-3) support for H.R. 1647, the “Water Infrastructure Trust Fund Act of 2017,” the Coalition having been 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.

FY18 Appropriations Status

The government is operating under a Continuing Resolution funding it at FY17 levels until Dec. 8. As to 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, on July 18, the House Appropriations Committee approved the FY18 Interior and Environment Appropriations bill. 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

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: one cosponsor added 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: one cosponsor added 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: one cosponsor added 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: seven cosponsors added since the last report.