December 6, 2019

FY20 APPROPRIATIONS IN GENERAL

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FY20 APPROPRIATIONS BILLS

Progress on Appropriations bills has been stalled with the Impeachment Hearings taking the focus and attention from infrastructure and other critical policy matters.

The House has decided to package appropriations bills into what it calls “minibuses” rather than consider bills individually on the Floor. On June 25, the House passed a minibus that includes the FY20 Interior Appropriations Bill providing $1.81B for the Clean Water SRF, $1.3B (the amount authorized by the America’s Water Infrastructure Act of 2018) for the Safe Drinking Water SRF, and $50M for WIFIA.

On Sept. 26 the Senate reported its version of the bill which provides $1.638B for the CWSRF, $1.13B for the SDWSRF, and $65M for WIFIA.

On June 19 the House passed its version of the FY20 Energy and Water Appropriations bill as part of another minibus which provides $63.617M for Bureau of Reclamation Program Funding (AKA “Title XVI”) of which $10M is for the Title XVI WIIN grant program and $60M for WaterSMART, and lists the names of the FY18 USBR Title XVI grant awardees, as required by law. For more information on these programs please see https://www.usbr.gov/main/programs/

On September 12 the Senate reported its version of the bill which provides $65.017M for Title XVI, of which $20M is for Title XVI WIIN grants, and $60M for WaterSMART.

On June 25, the House passed a minibus that includes the FY20 Transportation Appropriations bill. In total, the bill provides $137.1 billion, an increase of $6 billion above the 2019 enacted level and $17.3 billion above the President’s budget request. Included in the bill: TIGER, $1B; Amtrak, $1.3B; highways, $49B; and, transit, $2.3B.
On September 19 the Senate reported its version which provides $1B for BUILD grants, $46.3B for highways, $17.7B for aviation, $2.9B for rail, $13B for transit, $904M for maritime, and $972M for safety.

STAND-ALONE WATER INFRASTRUCTURE RELATED BILLS

Beyond tracking a “mega” deal on infrastructure, Key Advocates, on behalf of the CWCC, is focusing on the many bills that would address several Coalition priorities and details are included in the report from Key Advocates. These bills include but are not limited to:

- H.R. 2741, “Leading Infrastructure for Tomorrow’s America Act” (the “Lift America Act”)
- S. 1932, “Drought Resiliency and Water Supply Infrastructure Act”

CWCC FLY-IN DURING WATER WEEK

Details are still pending but the CWCC Fly-In and Water Week Events will take place in Washington, DC between April 26-May 2, 2020. Please consider joining us for this event.

CWCC BUSINESS MEETING

On Tuesday, December 3rd the Underground Contractors Association of Illinois hosted the 2019 Business Meeting of the Clean Water Construction Coalition. Sante Esposito from Key Advocates joined the following 10 Members for the meeting:
IN PERSON (4 Members):
• Utility & Transportation Contractors Association of New Jersey
• UCA of New England
• Minnesota UCA
• UCA of Illinois

TELECONFERENCE (6 Members):
• Michigan Infrastructure and Transportation Association
• General Contractors Association of NY
• Georgia UCA
• New Mexico UCA
• CIC of Westchester County & Hudson Valley
• Associated Utility Contractors of Maryland

Pictured from Left to Right: Jeff Mahoney (UCANE), Stephanie Menning (MUCA), Mike Wiedmaier (UCA of IL) and Dan Kennedy (UTCA of NJ)

A full report is forthcoming next week but in brief, the meeting was a success and identified the following key conclusions / actions to be taken to improve the value the CWCC adds to its members. These include:

• Members Reported High Value from Key Advocates / CWCC Staff Reports
  • Continue existing process and seek ways to improve, when/where possible
• To Increase Participation, CWCC Staff Should Get Dates for In-Person Events Out Earlier
  • Set upcoming year calendar in fall of previous year to coincide with budget planning
  • Take census of other events (warmer climates?) to hold concurrent business meetings
• Undertake Member Involvement / Recruitment Drive Lead by Existing Members
- Develop BMPs for CWCC Members
  - For example, BMPs for Workforce Development (DBE, WMBE), Industry Leadership Training Programs, State Funding Advocacy
- Expand Scope of Work to Include Resiliency (Hardening / Flood Protection)
  - Coastal Members will coordinate, as needed, on Offshore Wind
  - Mid-Atlantic / NE Members will coordinate, as needed, on TCI Climate Tax Proposal
- Update Existing Mission Statement
  - Update language to be consistent with current goals, that go past just SRF funding
  - Update language to expand project focus past just SRF funded projects to projects that are related to resiliency, hardening and flood protection of infrastructure

On Wednesday, December 4th those that attended in person attended the Planet Underground TV Roundtable event. This event featured a day full of sessions and networking on matters related to the current state of damage prevention in the construction industry. This was a day filled with very relevant information for the construction industry and presented an opportunity for us to expand the awareness of the work of the CWCC and its Members. CWCC Members moderated and participated in several sessions with some highlights below:

UCANE’s Jeff Mahoney (center) participates in a panel about the view of the construction industry and the media’s focus on the “negative” events (i.e. water main breaks, explosions, etc)
MUCA’s Stephanie Menning and UTCA of NJ’s Dan Kennedy moderate a panel on one call delays and the impact of late tickets

KEY ADVOCATES REPORT

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

On a positive note, on Nov. 13, T&I Committee Chairman DeFazio briefed the House Democratic Caucus on his outline for an infrastructure package. The broad package of spending priorities includes, highways, transit, airports, water, clean water, dredging and other infrastructure priorities. No price tag or specific details were released but the Chairman said that he hopes the House will act on a package next spring. The biggest question is how to pay for such a plan and whether the Trump Administration will jump on board.

At this time, however, a mega infrastructure bill, like so many other major policy initiatives, has been pushed aside because of all the attention given to the impeachment issue. The legislative process has basically come to a grinding halt – not only regarding authorizing bills but appropriations bills as well (see below). No substantive activities on infrastructure other than for a few meetings DOT had with OMB on its proposed outline of principals. A mega infrastructure bill requires the involvement of both the White House and the Congress. The relationship between the two has deteriorated because of the impeachment issue. House Dems blame the President for backing away from his $2B infrastructure suggestion for which subsequent meetings were to be held. None have. The irony of the whole situation is that in checking with the White House, both parties in the House and Senate, and the House and Senate committees of jurisdiction, all still want to do an infrastructure bill.

S. 1932, “Drought Resiliency and Water Supply Infrastructure Act”

Introduced on June 20 by Senator Cory Gardner (D-CO) with cosponsors Senators Feinstein, McSally (R-AZ), Sinema (D-AZ) and Rosen (D-NV). The bill was referred to the Energy and Natural Resources Committee. McSally is the Chair of its Water and Power Subcommittee. Gardner is a member of the Subcommittee. Feinstein and Sinema are not on the Committee. The bill would authorize for FY19-24 $670M for surface and groundwater storage projects, $100M for water recycling projects, and $60M for desalination projects. It would also create a new loan program at 30-year Treasury rates for water supply projects known as the Reclamation Infrastructure Finance and Innovation Act (RIFIA). The $150M authorized for the program would make available $8 to $12B in lending authority for the low interest loans. The loans would use existing criteria under the WIFIA program, with projects for funding to be recommended by the Bureau of Reclamation, and with the loans to be administered by EPA. The bill would also authorize $140M for restoration and environmental compliance projects. The bill provides offsets, one of which is a process to de-authorize inactive water recycling projects – projects for which no Federal or sponsor funds were spent on construction in the past 10 years, with an allowance of two and one-half years to spend funds to prevent de-authorization.

Status Update: Per John Watts (Feinstein) on Nov. 12, the bill is not ready for markup yet as there are still issues that need to be worked out, which they are trying to do.
H.R. 1162, the “Water Recycling Investment and Improvement Act”

On Feb. 13, the Congresswoman Napolitano introduced the above bill (with 17 cosponsors, now 26—all Dems) which the Coalition supports. The Coalition supported her bill last Congress. Two changes were made from last year’s version: the EPA grant program was dropped so the focus could be on Title XVI; and, the cap on the Federal share for individual projects was increased from $20M to $30M. Per the Congresswoman’s office, the following summary was provided:

- Increases the WIIN Act authorization for Title XVI from $50 million to $500 million
- Makes the WIIN Act Title XVI program permanent as it currently expires in 2021.
- Strikes the requirement that projects must be in drought or disaster areas
- Strikes the requirement that the projects need to be designated in an appropriations legislation
- Increase the limitation on the federal share of individual Title XVI projects from the current $20 million in October 1996 prices to $30 million in January 2019 prices.

Does not change the 25% federal cost share.

On June 13, the Subcommittee on Water, Oceans, and Wildlife (WOW) of the House Natural Resources Committee held a hearing on the bill.

Status Update: Per Joe Sheehy (Napolitano) on Nov. 12, the Committee is deciding which water bills to markup as some are controversial between political parties and some within the parties. He expects Committee action in January. Per Matthew Muirragui, Majority Staff Director, Subcommittee on Water, Oceans and Wildlife, on Nov. 13, the Chairman is still reviewing the Huffman omnibus water bill staff draft. The plan is to mark up the bill early next year. Most importantly, he said, and I quote: “I think it’s safe to say the bill will include Rep. Napolitano’s recycling bill (HR 1162).”


Introduced on May 2 by Congressman Josh Harder (D-CA-10) with 7 cosponsors—all CA Dems including Reps. Napolitano, McNerney and Panetta. Note: on Feb. 28, the Coalition met with Harder’s staff in DC and were told that he was working on a water bill. The official summary of the bill is not online. However, in general the bill provides $100M for Title XVI WIIN grants from deposits made to the Reclamation Fund; authorizes $150M for a reclamation infrastructure finance and innovation pilot program; increases the current Title XVI WIIN grant authorization from $50M to $500M (the same increase as in Cong. Napolitano’s H.R. 1162) and raises the Federal share cap from $20M to $30M; and, establishes a water technology investment program to expand use of technology for improving the availability and resiliency of water supplies and power delivers, and authorizes $5M per fiscal year for the program. The bill was referred to the Natural Resources Committee. On June 13, the Subcommittee on Water, Oceans, and Wildlife (WOW) of the House Natural Resources Committee held a hearing on the bill.

Status Update: not clear if all or parts of the bill will be included in the Huffman omnibus water bill.

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

On March Chair DeFazio, Subcommittee Chair Napolitano, and Representatives Don Young and John Katko introduced the above bill (now with 52 cosponsors) which the Coalition sent a letter of support to the Committee. The bill:
- Authorizes $20 billion in Federal grants over five years for Clean Water SRFs.
- Authorizes $1.5 billion over five years for grants to implement state water pollution control programs.
- Provides $600 million over five years for Clean Water pilot programs (including Federal technical assistance and/or grants) for watershed-based or system-wide efforts to address wet weather discharges, to promote storm water best management practices, to undertake integrated water resource management, and to increase the resiliency of treatment works to natural or man-made disasters.
- Authorizes $375 million in grants over five years for alternative water source projects including projects that reuse wastewater and storm water to augment the existing sources of water.

Status Update: Per Nov. 13 report from the Committee, they are still working on the Committee report so have not as yet been officially discharged from consideration until the report is filed. Regarding Floor consideration, the Committee said that the first opportunity would likely be next year, given all the other macro House business (their words). On Oct. 29, the Committee ordered the bill reported.

The bill authorizes $14B over the next five fiscal years for the CWSRF, thereby giving the appropriators the necessary legislative justification to support increased CWSRF funding, $1.125B for overflow and sewer grants, $1.295B for state water pollution control programs, $110M for innovative water grants, and $150M for alternative water source projects. A Coalition support letter was submitted.

**Huffman Omnibus Water Bill**

Congressman Jared Huffman (D-CA-2), Chair of the Water, Oceans and Wildlife Subcommittee of the Natural Resources Committee, is currently drafting, in conjunction with the Committee, an omnibus water bill.

Status Update: Per Logan Ferree (Huffman) on Nov. 12, the bill is still being finalized. When it’s finished it will be shared with all stakeholders at the same time. Per Matthew Muirragui, Majority Staff Director, Subcommittee on water, Oceans and Wildlife, on Nov. 13, the Chairman is still reviewing the staff draft. The plan is to mark up the bill early next year. Most importantly, he said, and I quote: “I think it’s safe to say the bill will include Rep. Napolitano’s recycling bill (HR 1162).”

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

The bill requires the EPA to establish a program to award grants up to $2.5 billion over five years to water systems affected by contamination. The legislation directs EPA to create a list of eligible drinking water treatment technologies. It extends and increases authorizations of $18.69 billion for essential drinking water programs including the Safe Drinking Water State Revolving Loan Fund, the Indian Reservation Drinking Water Program, School and Child Care Program Lead Testing grants, Lead Drinking Fountain Replacement, Community Water System Risk and Resilience grants, and Public Water System Supervision grants to states. This subtitle also extends Buy American requirements for drinking water projects.

Status Update: No change since the last report. On May 22, the House Energy and Commerce Committee held a hearing on the bill.

**McNerney “West Act”**

Last Congress, Congressman McNerney (D-CA-9) introduced an omnibus water and energy bill which the Coalition helped draft and supported. This Congress, McNerney is reintroducing the bill “in pieces” based on the committee of jurisdiction. To date, he has introduced two bills (on April 2 and
May 16), both entitled the “Smart Energy and Water Efficiency Act of 2019,” one referred to the Science Committee, the other to the Energy and Commerce, Natural Resources and T&I Committees.

**H.R. 4780, the “National Infrastructure Investment Corporation Act of 2019”**

Introduced by Congressman Salud Carbajal (D-CA-24). The bill would finance infrastructure projects via loans from pension fund loans to the Corporation. No federal funds would be involved and there would be enhanced congressional oversight – majority of the Board appointed by Congress. Member input in project selection, annual audits, GAO five-year review, congressional review of selected projects, etc. Modeled after TIFIA. The Coalition received a request from Carbajal’s office for support of the legislation.

**S.1689, “The Water Infrastructure Funding Transfer Act”**

Signed into law by the President on Oct. 4. Originally introduced by Senator Booker (D-NJ). The Coalition submitted a letter to the President, with copies to Mick Mulvaney, Chief of Staff, and Andrew Wheeler, Administrator, EPA, urging the President to sign the bill into law. The bill allows states for one year to transfer amounts from their clean water state revolving fund to their drinking water state revolving fund in order to address a threat to public health as a result of heightened exposure to lead in drinking water.

**Senate Environment and Public Works Committee Highway Bill**

No change since the last report. To review, the EPW Committee reported its version of the highway bill – “America’s Transportation Infrastructure Act.” The bipartisan bill would authorize $287 billion in highway spending, 90% percent of which would be distributed to the states by formula. The bill also features a title on climate change, which would authorize $10.8 billion for various programs addressing resiliency and other climate issues over the next five fiscal years. That includes $1 billion for electric, hydrogen, and natural gas vehicle charging and fueling stations. It would also provide billions for programs aimed at curbing emissions and reducing congestion and truck idling. The legislation would also streamline infrastructure permitting and set a two-year target for environmental reviews. Lastly, the bill would authorize $12.5 million per year to fund state and regional pilot testing of user-based alternative revenue mechanisms to the gas tax. The action by the Committee is intended to jump start the reauthorization process. However, notwithstanding its action, other Senate Committees – Finance (revenues), Commerce (rail, trucking and safety) and Banking (transit) – would still have to provide their titles to the bill. Action by those Committees is expected at the earliest in the fall. The House is behind the Senate in terms of schedule. At best, House committee actions would occur in the fall but more than likely spill over until next year. The current highway program expires Sept. 30, 2020.

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**FY20 Interior Appropriations Bill**

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**FY20 Transportation Appropriations Bill**

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On September 19, the Senate reported its version which provides $1B for BUILD grants, $46.3 B for highways, $17.7 B for aviation, $2.9 B for rail, $13 B for transit, $904 M for maritime, and $972 M for safety.

**Senate Appropriations Update**

On Oct. 22, the Senate Appropriations Committee reported its version of a mini bill that includes funding for the Commerce, Agriculture, Interior and Transportation bills per the above.

**Bill Tracking**

**S.352** — 116th Congress (2019-2020)

**BUILD Act**

Sponsor: Sen. Cornyn, John [R-TX] (Introduced 02/06/2019) Cosponsors: (1)

Committees: Finance Increases from $15 billion to $20.8 billion the national limitation on the amount of tax-exempt highway or surface transfer facility bonds.

**H.R.180** — 116th Congress (2019-2020)

**Build America Act of 2019**


Committees: Transportation and Infrastructure and Ways and Means Directs the Department of Transportation (DOT) to carry out a national infrastructure investment grant program for capital investments in surface transportation infrastructure. Projects eligible for funding under the program include, at a minimum, highway and bridge projects, public transportation projects, passenger and freight rail transportation projects, and port infrastructure investments. In distributing grants under the program, DOT shall ensure an equitable geographic distribution of funds, an appropriate balance in addressing the needs of urban and rural areas, and investment in a variety of transportation modes. At least 20% of grant funds must be set aside for projects in rural areas. The bill amends the Internal Revenue Code to: (1) establish a National Infrastructure Investment Trust Fund, and (2) increase the tax on gasoline other than aviation gasoline and on diesel fuel or kerosene.
S.146 — 116th Congress (2019-2020)
Move America Act of 2019
Sponsor: Sen. Hoeven, John [R-ND] (Introduced 01/16/2019) Cosponsors: (1)
Committees: Finance Allows tax exempt Move America bonds and Move America tax credits to be used for certain infrastructure projects. A Move America bond is treated as a tax-exempt private facility bond with certain exceptions. At least 95% of the net proceeds from the issuance of the bond must be used for infrastructure projects. The bill specifies exceptions and modifications to existing rules for bonds regarding land acquisition, government ownership, rehabilitation expenditures, and the alternative minimum tax. The bonds are subject to a volume cap equal to 50% of a state's current private activity bond volume cap. States may exchange all or a portion of the volume cap for Move America tax credits to be allocated to taxpayers. The credits include (1) an equity credit for a portion of the basis of each qualified facility; and (2) an infrastructure fund credit for investments in qualified infrastructure funds, including a state infrastructure bank, a water pollution control revolving fund, or a drinking water treatment revolving loan fund.

National Infrastructure Development Bank Act of 2019
Committees: Energy and Commerce, Transportation and Infrastructure, Financial Services and Ways and Means

S.353 — 116th Congress (2019-2020)
RAPID Act
Sponsor: Sen. Cornyn, John [R-TX] (Introduced 02/06/2019) Cosponsors: (1)
Committees: Environment and Public Works This bill revises the transportation infrastructure finance and innovation (TIFIA) program to (1) require program applicants to obtain investment grade ratings from at least two credit rating agencies, unless the federal credit instrument is less than $150 million (currently, less than $75 million), in which case one rating will suffice; (2) require the Department of Transportation (DOT) to implement an expedited decision timeline for public agency borrowers seeking secured loans; and (3) require DOT to publish status reports on program applications on the TIFIA website.

S.403 — 116th Congress (2019-2020)
IMAGINE Act
Committees: Environment and Public Works

H.R.228 — 116th Congress (2019-2020)
Increase Transportation Alternatives Investment Act of 2019
Sponsor: Rep. Velazquez, Nydia M. [D-NY-7] (Introduced 01/03/2019) Cosponsors: (2) Committees: Transportation and Infrastructure Directs the Department of Transportation (DOT) to ensure that states give preference under the Surface Transportation Block Grant Program to eligible projects that (1) are located in areas that are undergoing extensive repair or reconstruction of transportation infrastructure, including federal-aid highways, federally owned roads open for public travel, passenger rail facilities, and public transportation facilities; and (2) will provide transportation alternatives related to the closure of transportation infrastructure in such areas. DOT shall (1) carry out a competitive grant program to support community efforts to invest in transportation alternatives; and (2) give preference in awarding grants to projects located in such areas. Entities eligible for grants include state and local governments, metropolitan planning organizations, and rural planning organizations.
Surface Transportation Investment Act of 2019
Sponsor: Rep. Brownley, Julia [D-CA-26] (Introduced 01/30/2019) Cosponsors: (1) Committees: Ways and Means and Transportation and Infrastructure. This bill limits or repeals certain tax benefits for major integrated oil companies, including (1) the foreign tax credit for companies that are dual capacity taxpayers, (2) the tax deduction for intangible drilling and development costs, (3) the percentage depletion allowance for oil and gas wells, and (4) the tax deduction for qualified tertiary injectant expenses. The bill modifies the definition of "major integrated oil company" to include certain successors in interest that control more than 50% of the crude oil production or natural gas production of the company. The bill establishes a Transportation Block Grant Fund and appropriates to the fund amounts equal to the increase in revenues as a result of this bill. The funds must be used for making grants under the Surface Transportation Block Grant Program.

BRIDGE Act of 2019

Rebuild America Now Act
Sponsor: Sen. Sullivan, Dan [R-AK] (Introduced 05/16/2019) Cosponsors: (4) Committee: Environment and Public Works. To improve the processes by which environmental documents are prepared and permits and applications are processed and regulated by Federal departments and agencies, and for other purposes.

To direct the Secretary of Transportation to assist States to rehabilitate or replace certain bridges, and for other purposes.
Sponsor: Rep. Langevin, James R. [D-RI-2] (Introduced 06/05/2019) Cosponsors: (2) Committee: Transportation and Infrastructure. To direct the Secretary of Transportation to assist States to rehabilitate or replace certain bridges, and for other purposes.

Water Affordability, Transparency, Equity, Reliability Act of 2019

To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.