CLEAN WATER AND DRINKING WATER APPROPRIATION BILLS CONTINUE TO MOVE

The House has decided to package appropriations bills into what they are calling “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 $1.810B 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. If the Senate passes a similarly funded measure, the Clean Water SRF would be increased $100M over the last Federal Fiscal Year while the Drinking Water SRF will be increased $140M. No action to date on the Senate version(s).

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 Title XVI (of which $10M is for the Title XVI WIIN grant program) and $60M for WaterSMART, and lists the names of the FY18 USBR Title XVI grant awardees, as required by law. No action to date on the Senate version(s).

CWCC ASSESSES VIABILITY OF AN INFRASTRUCTURE PACKAGE

With the relationship between President Trump and the congressional Democrats spiraling, the top-line funding targets for an infrastructure package remain elusive. You will read Key Advocate’s Sante Esposito’s assessment of the current state of affairs in Congress. Given all of the moving parts and changing currents, the Coalition’s approach will be threefold: stay engaged with the key players in Congress and the Administration; encourage action on an infrastructure bill; and, advocate for our priorities.

Highlights of some positive signals include:

- Chairman DeFazio is drafting his FAST Act reauthorization bill with a goal toward House action in the fall and the possible cornerstone for a mega infrastructure bill;
- The T&I Committee is expected to markup Chairman DeFazio’s Clean Water/Alternative Water Source Program bill by the August recess;
- On June 25, the T&I Subcommittee of Water Resources and Environment will be holding a hearing on Restoring America’s Iconic Waters";
- The House Natural Resources Committee held a subcommittee hearing today on the Napolitano and Harder WIIN grant authorization bills pending consideration by the Full Committee;
The House Energy and Commerce Committee held a hearing on H.R. 2741 to increase funding authorizations for the Safe Drinking Water SRF;

Congressman McNerney has, subject to confirmation, decided to break up his WEST Act of last Congress and introduce individual bills that include matters under the jurisdiction of specific committees;

Speaker Pelosi said during a recent press conference: "We are not giving up on infrastructure. We're going to do infrastructure, build the infrastructure of our country."

Congressman Blumenauer introduced H.R. 2864 that would raise the gas tax by 25 cents at 5 cents per year for 5 years and will also be indexed for inflation for infrastructure projects;

Majority Leader Hoyer has put together a small working group from the leadership, the Appropriations, Ways and Means and Rules Committees to strategize on infrastructure;

Key House Republicans such as Congressman Sam Graves, Ranking Republican on the T&I Committee, and Rodney Davis, Ranking Republican on the Highways and Transit Subcommittee, have publicly expressed support for an infrastructure bill;

SEPW has targeted the August recess for its version of the FAST Act;

Senate Commerce has solicited infrastructure asks from its members;

Reports are that Senators Feinstein and Gardner have drafted a WEST water bill that includes reauthorization of the WIIN grant program;

Senate Democrats, via Minority Leader Schumer, has called on his fellow Senators, including Republicans, to move forward on an infrastructure bill;

Key Senate Republicans such as Senators Graham and Grassley have publicly expressed support for an infrastructure bill; and,

The Trump Administration, via USDOT, continues to engage the Hill on the scope and funding of an infrastructure bill.

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

As has been previously discussed and reported, the Coalition sent a letter of support for H.R.1497, the “Water Quality Protection and Job Creation Act of 2019.” This bill, introduced by Chairman DeFazio, Subcommittee Chairwoman Napolitano, and Representatives Don Young and John Katko, now has 39 cosponsors. As a reminder, the bill:
• Authorizes $20 billion in Federal grants over five years for Clean Water SRFs.
• Authorizes $1.5 billion over five years for grants to implement state water pollution control programs.
• Provides $600 million over five years for Clean Water pilot programs (including Federal technical assistance and/or grants) for watershed-based or system-wide efforts to address wet weather discharges, to promote storm water best management practices, to undertake integrated water resource management, and to increase the resiliency of treatment works to natural or man-made disasters.
• Authorizes $375 million in grants over five years for alternative water source projects including projects that reuse wastewater and storm water to augment the existing sources of water.

A markup of this bill is expected in July.

KEY ADVOCATES REPORT

Included with this notice is Key Advocates recent report which is current to the end of June.
The big question is “will an infrastructure bill be enacted this Congress.” In the spring of 2015, I was in a meeting with 20 to 25 lobbyist and we were asked whether or not we thought the highway bill, which at that time was stalled, would be enacted by the end of the year. Only two said it would. I was one of the two. And the reason I thought that was because I know the mindset of Congress when it comes to infrastructure issues. And that comes from all the years that I've worked on public work issues - whether as a committee staffer or lobbyist. And that mindset is this - Members of Congress, whether Democrats or Republicans - always see infrastructure spending as a substantive win for the country and a political win for themselves. There is in Congress an inherent appetite for doing infrastructure legislation, and, based on my experiences, that negates what seems impossible in terms of timing and other hurdles. By the way, the highway bill became law in December of that year. Now I know the situation between the President and the Speaker is bad and who knows where that ends up but I still continue to believe that in the end politics and substance will prevail and a mega infrastructure bill will get enacted by the end of next year. Coupled with that is the fact that at least at this point, no one is saying that it won’t happen. In fact, just the opposite:

- Chairman DeFazio is still drafting his FAST Act reauthorization bill with both a view toward House action in the fall and the possible cornerstone for a mega infrastructure bill;
- The T&I Committee is expected to markup DeFazio’s Clean Water/Alternative Water Source Program bill by the August recess;
- On June 25, the T&I Subcommittee of Water Resources and Environment will be holding a hearing on Restoring America’s Iconic Waters’;
- The House Natural Resources Committee held a subcommittee hearing today on the Napolitano and Harder WIIN grant authorization bills pending consideration by the Full Committee;
- The House Energy and Commerce Committee held a hearing on H.R. 2741 to increase funding authorizations for the Safe Drinking Water SRF;
- Cong. McNerney has, subject to confirmation, decided to break up his WEST Act of last Congress and introduce individual bills that include matters under the jurisdiction of specific committees;
- Speaker Pelosi said during a recent press conference: "We are not giving up on infrastructure. We're going to do infrastructure, build the infrastructure of our country."
- Cong Blumenauer introduced H.R. 2864 that would raise the gas tax by 5 cents per year and also be indexed for inflation for infrastructure projects;
- Majority Leader Hoyer has put together a small working group from the leadership, the Appropriations, Ways and Means and Rules Committees to strategize on infrastructure;
• Key House Republicans such as Cong Sam Graves, Ranking Republican on the T&I Committee, and Rodney Davis, Ranking Republican on the Highways and Transit Subcommittee, have publicly expressed support for an infrastructure bill;
• SEPW has targeted the August recess for its version of the FAST Act;
• Senate Commerce has solicited infrastructure asks from its members;
• Reports are that Sens Feinstein and Gardner have drafted a West water bill that includes reauthorization of the WIIIN grant program;
• Senate Dems, via Minority Leader Schumer, has called on his fellow Senators, including Republicans, to move forward on an infrastructure bill;
• Key Senate Republicans such as Sens Grahams and Grassley have publicly expressed support for an infrastructure bill; and,
• The Administration, via DOT, continues to engage the Hill on the scope and funding of a bill.

Given all of this, our approach is threefold: stay engaged with the key players in Congress and the Administration; encourage action on an infrastructure bill; and, advocate for our priorities.

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

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

Title II—Drinking Water Infrastructure

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

Subtitle B. Additional Drinking Water Funding
The LIFT America Act includes provisions to extend and increase authorizations of $18.69 billion for essential drinking water programs including the Safe Drinking Water State Revolving Loan Fund, the Indian Reservation Drinking Water Program, School and Child Care Program Lead Testing grants, Lead Drinking Fountain Replacement, Community Water System Risk and Resilience grants, and Public Water System Supervision grants to states. This subtitle also extends Buy American requirements for drinking water projects along with the funding extension.

Napolitano H.R. 1162, the “Water Recycling Investment and Improvement Act”

To review, on Feb.13, the Congresswoman introduced the above bill (with 17 cosponsors, now 26– all Dems) which the Coalition reported to her office its support. The Coalition supported her bill last Congress. Two changes were made from last year’s version: 1) the EPA grant program was dropped so the focus could be on Title XVI; and, 2) the cap on the Federal share for
individual projects was kept but increased from $20M to $30M. Per the Congresswoman’s office, the following summary was provided:

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

*Does not change the 25% federal cost share.*

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


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 legislative hearing on the 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) and Sinema (D-AZ). 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. Sinema is 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 draft also would 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.

To review, in March Chair DeFazio, Subcommittee Chair Napolitano, and Representatives Don Young and John Katko introduced the above bill (now with 39 cosponsors) which the Coalition sent a letter of support to the Committee. The bill:

- Authorizes $20 billion in Federal grants over five years for Clean Water SRFs.
- Authorizes $1.5 billion over five years for grants to implement state water pollution control programs.
- Provides $600 million over five years for Clean Water pilot programs (including Federal technical assistance and/or grants) for watershed-based or system-wide efforts to address wet weather discharges, to promote storm water best management practices, to undertake integrated water resource management, and to increase the resiliency of treatment works to natural or man-made disasters.
- Authorizes $375 million in grants over five years for alternative water source projects including projects that reuse wastewater and storm water to augment the existing sources of water.

Markup of the bill is expected in July.

McNerney “West Act”

Last Congress, Congressman McNerney (D-CA-9) introduced an omnibus water and energy bill which the Coalition helped draft and supported. No decision has been made at this time on reintroducing the bill or moving pieces of it in the committees of jurisdiction although he has introduced two bills (on April 2 and May 16), both entitled the “Smart Energy and Water Efficiency Act of 2019,” one referred to the Science Committee, the other to the Energy and Commerce, Natural Resources and T&I Committees. Update request pending with McNerney’s staff.

Hearings

On June 13, the Subcommittee on Water, Oceans, and Wildlife (WOW) of the House Natural Resources Committee held a legislative hearing on a number of bills including H.R. 1162 and H.R. 2473 (described above).

On June 19, the Senate Committee on Commerce, Science, and Transportation, held a hearing titled, “FAST Act Reauthorization: Transportation and Safety Issues.” The hearing examined implementation of the Fixing America’s Surface Transportation (FAST) Act, which expires at the end of fiscal year 2020, and priorities for the Department of Transportation as Congress prepares for surface transportation reauthorization. Witnesses were: Ronald Batory, Administrator, Federal Railroad Administration; Raymond Martinez, Administrator, Federal Motor Carrier Safety Administration; Joel Szabo, Assistant Secretary for Aviation and International Affairs, Office of the Secretary of Transportation; and, Heidi King, Deputy Administrator, National Highway Traffic Safety Administration.

FY20 Interior Appropriations Bill

The House has decided to package appropriations bills into what they call “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 $1.810B for the Clean Water SRF,
$1.3B (the amount authorized by the Americas Water Infrastructure Act of 2018) for the Safe Drinking Water SRF, and $50M for WIFIA. The fact that the appropriators provided up to the authorized level for the Safe Drinking Water SRF argues for enactment of authorization levels above the $1.8B for the Clean Water SRF. The DeFazio bill authorizes $4B for the CWSRF for each of the next five fiscal years. No action to date on the Senate bill.

**FY20 Energy and Water Appropriations Bill**

On 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 Title XVI (of which $10M is for the Title XVI WIIN grant program) and $60M for WaterSMART, and lists the names of the FY18 USBR Title XVI grant awardees, as required by law. No action to date on the Senate bill.

**FY20 Transportation Appropriations Bill**

On June 25, the House passed a minibus that includes the Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations bill and several other appropriations bills for FY20. In total, the transportation legislation provides $137.1 billion in budgetary resources, an increase of $6 billion above the 2019 enacted level and $17.3 billion above the President’s budget request. Included in the bill: TIGER, $1B; Amtrak, $1.3B; highways, $49B; and, transit, $2.3B. No action to date on the Senate bill.

**FY20 Congressional Budget Resolution**

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

**Coalition Hill Contact Database**

The Coalition will be developing two 116th Congress organizational databases. The first is CWCC Hill contacts, which will identify a contact from each Coalition member agency, and then the member agency’s Representative(s), and that Representative’s contact information, Legislative Assistant for water issues, and email addresses. The second will identify the Democrat and Republican staffs for the Coalition’s key committees and those Members of Congress who may not be associated with a CWCC member.

**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 freight transfer facility bonds.


**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

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

Securing Energy Infrastructure Act
Committees: Science, Space, and Technology Establishes a two-year pilot program within the Department of Energy's (DOE) national laboratories to (1) identify the security vulnerabilities of certain entities in the energy sector, and (2) evaluate technology that can be used to isolate the most critical systems of such entities from cyberattacks.
In addition, DOE must establish a working group to evaluate the technology solutions proposed by the national laboratories and to develop a national strategy to isolate the energy grid from attacks.

H.R.228 — 116th Congress (2019-2020)
Increase Transportation Alternatives Investment Act of 2019
Sponsor: Rep. Velazquez, Nydia M. [D-NY-7] (Introduced 01/03/2019) Cosponsors: (2) Committees: Transportation and Infrastructure Directs the Department of Transportation (DOT) to ensure that states give preference under the Surface Transportation Block Grant Program to eligible projects that (1) are located in areas that are undergoing extensive repair or reconstruction of transportation infrastructure, including federal-aid highways, federally owned roads open for public travel, passenger rail facilities, and public transportation facilities; and (2) will provide transportation alternatives related to the closure of transportation infrastructure in such areas. DOT shall (1) carry out a competitive grant program to support community efforts to invest in transportation alternatives; and (2) give preference in awarding grants to projects located in such areas. Entities eligible for grants include state and local governments, metropolitan planning organizations, and rural planning organizations.

To amend the Intermodal Surface Transportation Efficiency Act of 1991 with respect to high priority corridors on the National Highway System, and for other purposes.

S.611 — 116th Congress (2019-2020)
Water Affordability, Transparency, Equity, Reliability Act of 2019

H.R.1764 — 116th Congress (2019-2020)
To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.

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**
Committees: House - Energy and Commerce, Education and Labor

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.

H.R.3134 — 116th Congress (2019-2020) **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.