August 2, 2019

CWCC TRACKS WATER INFRASTRUCTURE FUNDING BILLS

With an overall infrastructure package constrained by high-level DC politics, several bills of note are being tracked by Key Advocates for the Coalition. Key Advocates is meeting directly with sponsors and potential supporters to ensure the Coalition’s priorities are considered. This is important because all or some of these bills may become the framework for a larger package or continue to move on their own. Please read the attached report from Key Advocates to get an update on the following bills that would address several of Coalition priorities:

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

FY20 SRF APPROPRIATION BILLS

As reported last month, the House has decided to package appropriations bills into what it is 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 would be increased $140 M. There has still been 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. There remains no action to date on the Senate version(s).

**FY20 Transportation Appropriations Bill**

As transportation work often includes work on water and/or other underground utilities, it’s notable that 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.

**COALITION DATA COLLECTION PUSH**

Please be on the lookout for emails and/or phone calls requesting information related to two sets of information that the Coalition will be seeking.

First, 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. We need your help assessing those Members that may be open to working with the CWCC moving forward.

Second, the Coalition is doing a fifty (50) state assessment to identify potential additional members to join. We will be asking for your help with this assessment and review these targets prior to any outreach efforts take place.

**KEY ADVOCATES REPORT**

Included with this notice is Key Advocates recent report which is current to the end of July.
August 2019 Insights

Infrastructure

Progress on an infrastructure bill is currently being hampered by the on-going divisive rhetoric between the President and Democrats in Congress. As a result, the Senate is on hold pending action by the House notwithstanding the fact that both the Environment and Public Works (EPW) and Commerce Committees have received from their members what they want included in an infrastructure bill; that Senator Barasso, Chair of EPW, has drafted an infrastructure bill; that the Dems on the Committee have outlined their version of a $10 trillion bill; that Senators Gardner and Feinstein have introduced and are seeking support for a western water bill that could find its home in an infrastructure bill; and, that the Senate Democratic Leadership remains publicly committed in support of an infrastructure bill. The House is on hold pending another meeting with the White House regarding funding for the bill, notwithstanding the fact that as recently as last week Congressman DeFazio, Chair of the Transportation and Infrastructure Committee, met privately with the Committee Dems to review their “asks” for a bill; that DeFazio continues to move ahead on the aviation, water and ports portion of what would be, in part, the core of his infrastructure bill; that the Energy and Commerce Committee has reported out a Safe Drinking SRF bill as its centerpiece; that the House Democratic Leadership has formed a task force to pursue the issue; that the same Leadership also remains publicly committed to a bill; and, that various Members – Blumenauer, Napolitano, Harder, McNerney – continue to pursue their own positions regarding infrastructure needs via bills they have introduced. The White House is on hold given various controversies particularly the immigration situation, notwithstanding the fact the DOT Secretary Chao continues to tell Members of Congress (she met on Monday, July 15, with Blue Dog Democrats to talk infrastructure) that the President wants to do a bill and believes that it can be done on a bipartisan basis.

H.R. 2741, the “Leading Infrastructure for Tomorrow’s America 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.

Status Update: markup expected in September.

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.

Status Update: Markup pending “still trying to work things out.”

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.

*Status Update: Markup pending “still trying to work things out.”*

**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.

*Status Update: On July 18, the Water and Power Subcommittee of the Energy Committee held a hearing on the bill. Gardner/Feinstein canvassing Members for their support.*


To review, in March Chair DeFazio, Subcommittee Chair Napolitano, and Representatives Don Young and John Katko introduced the above bill (now with 45 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: Markup pending working out macro issues.*
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.

Senate Environment and Public Works Committee Highway Bill

As reported via separate email yesterday, 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.

Hearings

On July 10, the Senate Committee on Environment and Public Works held a hearing entitled, “Investing in America’s Surface Transportation Infrastructure: The Need for a Multi-Year Reauthorization Bill.” Key witness was the American Association of State Highway and Transportation Officials.

On July 18, the Water and Power Subcommittee of the Senate Energy and Natural Resources Committee held a hearing on a number of issues/bills including S. 1932, the Drought Resiliency and Water Supply Infrastructure Act. Key witnesses were the USBR and the WateReuse Association.

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

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Budget Deal

Congress passed a two-year budget that increases spending for military and domestic programs and suspends the debt ceiling through mid-2021. The budget does not eliminate the threat of a government shutdown when federal spending runs out Oct. 1 because Congress still has to pass individual spending bills to fund agencies. But by setting top-line spending numbers, the budget deal makes it easier for lawmakers to agree on those bills. And by suspending the debt limit through July 31, 2021, the deal eliminates chances of a catastrophic default amid warnings that Treasury could run out of money to pay its bills as early as September. The deal increases total discretionary spending from $1.32 trillion in the current fiscal year to $1.37 trillion in FY20 and $1.375 trillion the year after that.

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.
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.

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.

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.

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.