



October 6, 2021

BIPARTISAN INFRASTRUCTURE FRAMEWORK STALLS AS LEADERSHIP FAILS TO MEET DEADLINES FOR PASSAGE

As previously reported, Speaker Pelosi set a new deadline of Oct. 31 for the House to pass the \$1.2 trillion bipartisan infrastructure bill. In a "Dear Colleague" letter Pelosi said that "more time was needed" to pass the infrastructure bill along with the larger, \$3.5 trillion budget reconciliation package after scrambling over the past two days to get enough votes. The Speaker said she wants to pass the bipartisan bill by Oct. 31, when the 30-day reauthorization of federal highway programs expires.

Within the attached report from Sante Esposito, who has been working tirelessly on behalf of the CWCC, you have all the details you need to keep your leadership / members informed. In summary, the Bipartisan Infrastructure Framework (BIF) would appropriate for FY22-26 \$12.838B for the Clean Water State SRF, starting at \$2.127B in FY22 and going up to \$2.828B in FY26, and \$35.713B over five years for the Safe Drinking Water SRF, starting at \$6.702B in FY22 and going up to \$7.403B in FY26. This would represent 2-4x increases in annual funding for the SRFs.

No appropriations are included for the Alternative Water Source Projects program (an authorization of \$125M over 5 fiscal years is). For the USBR, the bill appropriates \$8.3B for FY22-26 with an annual cap of \$1.66B per year. The bill lists a number of programs under USBR's jurisdiction with specific appropriated amounts but does not specify annual funding amounts for each program. Either the Interior Appropriations bill will make that decision or the USBR. For water recycling, the bill appropriates \$1B over 5 FY's, broken down to \$550M for Title XVI and WIIN Act grants and \$450M for "large scale" projects (those with project costs >\$500M). Again, regarding the \$550M, the bill doesn't break this down between the two programs, presumably leaving that to either the Interior Appropriations bill or the USBR. The bill also includes \$400M over 5 FY's for WaterSMART programs, \$1.2B for water storage and groundwater, and \$25M for desalination projects.

Other core infrastructure highlights include:

- \$110B for Roads, Bridges and Major Infrastructure Projects
- \$40B for Bridges
- \$16B for Major Surface Transportation Projects
- \$11B for Transportation Safety
- \$39B for Transit

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Robert Briant, Jr. – Chairman

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* Steering Committee Member



- \$66B for Passenger and Freight Rail
- \$65B for Broadband
- \$17B for Ports
- \$25B for Airports
- \$7.5B for Zero and Low-Emission Buses and Ferries
- \$7.5B for Plug-In Electric Vehicle Chargers
- \$65B to Rebuild the Electric Grid
- \$21B for Superfund and Brownfield sites

We recommend you and your members continue to reach out to your representatives and encourage them to support the BIF on this new schedule. The recent showdown between President Biden / Speaker Pelosi and the Congressional Progressive Caucus was waged inside the DC beltway. It has now spilled out onto “Main Street” and was panned this weekend on Saturday Night Live.

Last week, CPC Chair Jayapal (D-Wash.) was quoted saying her members would tank last week’s vote if the Senate doesn’t pass the larger multi-trillion-dollar reconciliation bill first. They succeeded temporarily but now it is up to groups like ours to express our dissatisfaction and push for them to go back to keeping these issues separate. Past the branding of social programs as “human infrastructure” they have been and will always be separate matters in the court of public opinion.

KEY ADVOCATES REPORT

Included with this notice is Key Advocates recent report which is current to September 30, 2021.

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October 2021 Insights

NOTE: Issue of the day – what will the House do with the bipartisan infrastructure bill (BIF) that passed the Senate? Will there be a delay in the vote? Or will the vote occur today and what will be the outcome given that Democratic progressives have stated that they will not vote for the bill unless it is either coupled with the \$3.5T bill (BBB) or a framework is agreed upon regarding consideration of BBB. In her press conference at 10:45AM today, the Speaker said that they are moving forward in a positive way; that the plan is to vote on BIF today; and that they will do the \$3.5T bill. Regarding the latter, she did not say when and regarding her comment on a vote today she seemed to hold the door open for a delay. We will provide updates. Pending that, the following report reflects the situation as of today, noon EST.

Infrastructure Bills

Two - the first, the “Infrastructure Investment and Jobs Act” aka **BIF** (Bipartisan Infrastructure Framework) – a core infrastructure bill – passed by the Senate and pending in the House. The second, the “Build Back Better” aka **BBB** - human infrastructure plus other core infrastructure items bill - is pending in both Houses given passage of the budget resolution which set in motion drafting of the bill.

BIF - Infrastructure Investment and Jobs Act: Core Infrastructure Bill

On August 10 the Senate passed its bipartisan core infrastructure bill - with all Democrats and 19 Republicans supporting - totaling \$550B in new spending for FY22-26. The bill is both an authorization and an appropriation bill. That means that it will make “real” money available (not just authorize it).

Of interest: the bill appropriates for FY22-26 \$12.838B for the Clean Water State SRF, starting at \$2.127B in FY22 and going up to \$2.828B in FY26, and \$35.713B over five years for the Safe Drinking Water SRF, starting at \$6.702B in FY22 and going up to \$7.403B in FY26. No appropriations are included for the Alternative Water Source Projects program (an authorization of \$125M over 5 fiscal years is). For the USBR, the bill appropriates \$8.3B for FY22-26 with an annual cap of \$1.66B per year. The bill lists a number of programs under USBR’s jurisdiction with specific appropriated amounts but does not specify annual funding amounts for each program. Either the Interior Appropriations bill will make that decision or the USBR. For water recycling, the bill appropriates \$1B over 5 FY’s, broken down to \$550M for Title XVI and WIIN Act grants and \$450M for “large scale” projects (those with project costs >\$500M). Again, regarding the \$550M, the bill doesn’t break this down between the two programs, presumably leaving that to either the Interior Appropriations bill or the USBR. The bill also includes \$400M over 5 FY’s for WaterSMART programs, \$1.2B for water storage and groundwater, and \$25M for desalination projects.

Other core infrastructure highlights include:

- \$110B for Roads, Bridges and Major Infrastructure Projects
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Regarding the House, on August 24 the House agreed to vote on the Senate passed core infrastructure bill on September 27. That did not happen and discussions have been ongoing since involving the President, the House Democratic leadership, various factions of the House Democrats and key senators, as noted above.

BBB - Build Back Better Act: Human Infrastructure Bill

Both Houses passed a \$3.5T budget resolution which unlocks the ability for Senate Democrats to use reconciliation (only requires a simple majority for passage, not 60 votes) to pass a human infrastructure bill on a party-line vote addressing health care, aid for families, the climate crisis and more (including funding for core infrastructure programs). With passage of the budget resolution by both chambers, bill drafting was set in motion with a due date of Sept.15.

In the House, all committees met the Sept. 15 deadline, none in the Senate. The issues with some Senate Democrats - Manchin, Sinema and Sanders, for example – are the \$3.5T cost of the bill (Manchin has proposed \$1.5T), the timing (Manchin has proposed starting debate tomorrow), and some of the policy assumptions (Sanders wants to expand Medicare coverage). The Senate is now waiting to see what the House does with BIF.

Of interest in the House, the Transportation and Infrastructure Committee included appropriations of \$125M for FY22 for the Alternative Water Source Project program and \$2B for sewer overflow and storm water reuse grants. No funding was included for the generic Clean Water SRF program. The Natural Resources Committee included appropriations of \$100M for large scale water recycling and \$1.15B for emergency drought relief. The Energy and Commerce Committee included Safe Drinking Water SRF appropriations of \$30B for lead service line replacement projects, \$100M for state public water systems, and \$700M to reduce lead in school drinking water.

Also from the T&I Committee, \$4B for reduction of carbon in the surface transportation sector, \$4B to support affordable and safe transportation access, and \$6B to advance local surface transportation projects.

To finance the committee proposals, the Ways and Means Committee adopted a number of major tax provisions.

Bills of Interest

Note: all bills listed here have some relation to what is going on with the infrastructure bill. If an agreement is reached that addresses many of the issues in these bills, then we don't expect to see these bills going forward.

H.R. 1015, “Water Recycling Investment and Improvement Act” and STREAM Act (“Support to Rehydrate the Environment, Agriculture and Municipalities Act”)

The major issue with this bill is getting the \$500M program authorization (WIIN Act grants). Congresswoman Napolitano is also advocating for increased Title 16 funding in general. In the Senate core infrastructure bill there is \$550M appropriated for Title XVI and WIIN, so not sure Napolitano will still continue pushing her bill if that is the outcome of the infrastructure bill. Likewise, for the STREAM Act with a \$250 M authorization. There are certainly other issues in these bills but the pressure will be off on the authorization issue. To review, on February 11, Congresswoman Napolitano introduced H.R.1015, the same bill she introduced last Congress. It increases the WIIN Act authorization to \$500M, strikes certain requirements, and increases the Federal share from \$20 to \$30 M. Last Congress, her bill did not move on its own but was included in H.R.2, the omnibus mega infrastructure bill that passed the House but not the Senate. A hearing is expected in the near future.

A draft by Senator Feinstein for which letters of support/comments were requested by April 15 – these are currently being reviewed. The Coalition sent a support letter noting the reauthorization of the Title XVI competitive grant program of \$250 million over 5 fiscal years, the increase in the per project maximum Federal funding contribution to \$30 million, and the elimination of the requirement that Congress must approve funding awards for specific projects through designating them by name in an enacted appropriations bill, the newly proposed Reclamation Infrastructure Finance Program and increased funding for, and expedited congressional approval for water shortage projects of \$750 million, and \$100 million for desalination projects, both over 5 fiscal years. This draft is viewed as the “son of S. 1932” which stalemated last Congress. The goal of this legislation is with Senate passage to conference with H.R.1015, the Napolitano bill, with the outcome hopefully closer to the higher Napolitano funding levels.

S. 914, “Drinking and Wastewater Infrastructure Act” and H.R. 1915, “Water Quality Protection and Job Creation Act of 2021”

S. 914 includes a \$14.6 B authorization for the CWSRF over 5 FY's. The entire text of this bill is in the Senate passed infrastructure bill. To review, on April 28, the Senate passed the bill which provides \$14.65B over five fiscal years for the Clean Water SRF, the same for the Safe Drinking Water SRF, and \$125M for the AWSP and which includes the Feinstein-Padilla amendment which limits the prohibition against applying for Alternative Water Source Program (AWSP) grants to USBR projects that received construction funds. Receipt of funds for other purposes - for example, feasibility studies - would no longer be a bar as they are in existing law.

On July 1, the House passed H.R. 3684, the “INVEST in America Act” - the House version of the highway bill. Included in that bill is H.R. 1915 which provides \$40B over five fiscal years for the Clean Water SRF and \$1B for the AWSP. It also includes the same prohibition language as S. 941 regarding eligibility for recycled water projects in the AWSP – that is, projects that have received USBR construction funds would not be eligible for AWSP grants. Lastly, it includes reauthorization of the Safe Drinking Water SRF at \$52.94B over ten fiscal years starting in FY22 (H.R. 3291).

H.R. 3404, “FUTURE Western Water Infrastructure and Drought Resiliency Act”

Again, the primary issue of interest in this bill is the \$500M authorization for the WIIN Act grant program. Per above, that has been addressed in the Senate infrastructure bill. To review, on May 21, Congressman Huffman introduced the FUTURE Act (with 10 cosponsors, all CA Dems), the same bill he drafted last Congress and which was included in H.R. 2. The bill increases the authorization of the Title XVI WIIN grant program to \$500M and the Federal cap share from \$20M to \$30M – per the Napolitano bill above. It also includes a \$300M water trust fund with \$100M earmarked for recycled water projects. Plans going forward unclear at this time.

H.R. 4099, the “Large Scale Water Recycling Project Investment Act”

The Senate infrastructure bill appropriates \$450M for large water recycling projects. To review, On June 24, Reps. Napolitano, Grijalva, Huffman and Lee introduced the above bill which establishes a competitive grant program within the Department of the Interior for large-scale water recycling projects that have a total estimated cost of at least \$500M. The bill authorizes \$750M for the program from FY 23-27. Federal share is 25% but there is provision for increasing that. Projects must be within one of the USBR 17 western states.

Also, on July 14, the Senate Energy and Natural Resources Committee marked up its title to the infrastructure bill that includes the following: \$1B for water recycling and reuse projects, of which \$550M is for projects authorized by Congress or selected for funding under the Title XVI WIIN grant program, and \$450M is for large-scale recycling and reuse projects (total estimated cost of \$500M or more, 25 percent Federal cost share, no total dollar cap); \$400M for WaterSMART grants; \$1.15B for water storage, groundwater storage and conveyance projects; \$3.2B for aging water infrastructure; \$1B for rural water projects; \$250M for water desalination projects; \$500M for dam safety programs; \$300M for implementing the Colorado River Basin Drought Plan; \$100M for watershed management projects; \$250M for aquatic ecosystems; \$100M for multi-benefit projects; and, \$50M for endangered species programs.

FY22 Appropriations Generally

Today, Congress is expected to pass a Continuing Resolution funding the government at current levels until Dec.3, thereby avoiding a government shutdown and allowing time for completion of individual FY22 appropriations bills. To date, the House has passed 9 of 12 FY22 appropriations bills, with one ready to go and 2 un-decided. The Senate Appropriations Committee has marked up its FY22 Energy and Water, Agriculture and VA bills.

FY22 “Water” Appropriations Bills

The House has passed its FY22 Energy and Water and Interior Appropriations Bills which provide \$1.871B for the Clean Water SRF, \$1.358B for the Safe Drinking Water SRF, \$75M for WaterSMART grants, and \$63.617M for Title XVI grants, of which \$10M is for Title XVI WIIN grants. Included in the Senate marked up Energy and Water bill is \$32M for Title XVI (of which \$20M is for WIIN grants) and \$48M for WaterSMART grants. No action to date on the Senate Interior Appropriations Bill.

FY22 Transportation Appropriations

The House has passed its FY22 Transportation Appropriations Bill which provides \$106.7B for DOT programs – an increase of \$19B for FY21 and \$18.7B above the President’s budget request for FY22. Highlights are \$1.2B for National Infrastructure Investment Grants, \$61.9B for state highway formula programs, \$625M for passenger rail, \$2.7B for Amtrak, and \$15.5B for transit.

Senate Highway Bill

The Senate FAST Act reauthorization bill is included in the Senate passed core infrastructure bill. To review, on May 26, the Senate Environment and Public Works Committee marked up its portion of the FAST Act reauthorization. It is substantially similar to the bill, S. 3202, that EPW approved on a bipartisan basis and unanimously nearly two years ago. That bill authorized \$287B in highway spending, 90- percent of which would be distributed to the states by formula. The bill featured a title on climate change that authorized \$10.8B for various programs addressing resiliency and \$1B (note the new bill increases that to \$2.5B) for electric, hydrogen, and natural gas vehicle charging and fueling stations. It provided billions for curbing emissions, reducing congestion and truck idling. It also streamlined infrastructure permitting and set a two-year target for environmental reviews. Lastly, the bill authorized \$12.5M per year to fund state and regional pilot testing of user-based alternative revenue mechanisms to the gas tax.

House Highway Bill

On July 1, the House passed the Transportation and Infrastructure Committee's "INVEST in America Act" a five-year \$547B surface transportation reauthorization bill that includes \$343B for roads, bridges and safety (\$32B for bridge funding to ensure bridges in communities of all sizes are safer, more reliable, and more resilient; \$4B in electric vehicle charging infrastructure; \$8.3B for activities targeted to reduce carbon pollution; and, \$6.2B for mitigation and resiliency improvements); \$109B for transit (scales up investment in zero-emission transit vehicles and streamlines the Capital Investment Grant program) and, \$95B for passenger and freight rail (\$32B for Amtrak; funding for corridor planning and development of high-speed rail projects; and, improves rail safety by addressing highway-rail grade crossings needs, requiring additional rail safety inspectors, addressing trespasser and suicide fatalities, and eliminating gaps in railroad safe.

Bill Tracking

We are taking a different approach on bill tracking. Hundreds of bills (not counting numerous reports, markups, publications and congressional record citations) are introduced and the numbers increase daily. Many are not relevant to our issues and most never get beyond the introduction stage. Therefore, what we are going to do is focus on bills that are marked up by committees and/or come to our attention and identify and report on those of interest. Markup of a bill demonstrates a level of importance and interest.