

January 5, 2021

On December 27th President Trump signed into law the COVID / FY 2020 Omnibus Package. Congress passed the bills with bipartisan majorities in the House and in the Senate. As previously reported, this package includes two key components:

- \$900 million in COVID stimulus funding; and
- Federal FY 2021 omnibus appropriations funding \$1.4 trillion.

With a focus on matters critical to CWCC member interests, the following is a summary for your review:

<u>Federal FY 2021 omnibus appropriations</u>: the funding levels for the Highway Trust Fund (HTF) program and Clean Water and Drinking Water programs are receiving slight increases, or in the case of the Highway Trust fund, a \$168 million decrease. The HTF decrease <u>is more than compensated for</u> by additional highway funding included in the Covid stimulus package detailed below. Note the following:

- a. HTF to receive \$48.4 billion (includes \$2 billion from the federal general fund)
- b. DOT Tiger Grants to receive \$1 billion (same as FY 2020)
- c. Federal Transit Grants \$14 billion (\$47 million more than FY 2020)
- d. Clean Water SRF to receive \$1.6 billion (same as FY 2020 but \$200 million more than FY 2019)
- e. Drinking Water SRF to receive \$1.1 billion (same as FY 2020 but more than FY 2019)

UTCA NJ's staff engaged with staff from our Congressional delegation and they indicated that state DOTs will receive funding for capital construction through Surface Transportation Block Grants, with some flexibility for use state to state.

From bill text:

Provided further, That notwithstanding chapter 1 or chapter 2 of title 23, United States Code, or any other provision of law, in addition to other eligible uses described under this heading in this Act, a State, territory, Puerto Rico, or Indian Tribe may use funds made available under this heading in this Act for costs related to preventive maintenance, routine maintenance, operations, personnel, including salaries of employees (including those employees who have been placed on administrative leave) or contractors, debt service payments, availability payments, and coverage for other revenue losses:

If your State DOT and /or transit agencies did not experience a revenue loss and your association is engaged in transportation project advocacy, you may want to consider arguing that the funding must be used for capital projects.

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See outline and link to text/summary of the COVID stimulus package.

Transportation-related items in the omnibus, including the COVID-19 relief deal, include:

- \$14 billion for transit, including \$50 million for paratransit providers.
- \$10 billion for state transportation departments and local transportation agencies. Funds are available to replace amounts lost as a result of the coronavirus for preventive maintenance, routine maintenance, operations, and personnel costs and may also support tolling agencies and ferry systems.
- \$1 billion for Amtrak for operations and to prevent further employee furloughs. Requires Amtrak to recall workers as passenger rail service is restored, bars Amtrak from replacing any furloughed workers with contractors, and prevents further reductions in long-distance rail service.
- \$2 billion for motorcoach and bus operators, school bus companies, and U.S. flag passenger vessel operators, such as passenger ferries.
- \$2 billion for airports to retain personnel and continue operations; includes relief for retailers at the airport (i.e. concessionaires).
- \$15 billion to extend the Payroll Support Program for aviation employees through March 31, 2021, a workers-first program that puts tens of thousands of workers back on the payroll with benefits, while prohibiting the use of funds for stock buybacks or executive compensation. Requires mandatory recall of involuntarily furloughed workers and backpay for those workers to the date of the bill's passage.
- \$1 billion in payroll pass-through grants for workers for airline contractors, with mandatory recalls of involuntarily furloughed workers and back pay for those workers to the date of the bill's passage.
- Continued assistance to rail workers to ensure they have access to the same enhanced unemployment benefits as other workers.
- \$2 billion for FEMA's Disaster Relief Fund, as well as some assistance for individuals and households to cover funeral expenses for deaths from COVID-19.
- The Aircraft Certification, Safety, and Accountability Act, bipartisan legislation to strengthen the Federal Aviation Administration's (FAA) aircraft certification process in the wake of the Boeing 737 MAX tragedies.
- The Water Resources Development Act of 2020, legislation essential to our country's ports, harbors, and inland waterways, as well as to ecosystem restoration and flood mitigation; the WRDA Act of 2020 also finally unlocks the Harbor Maintenance Trust Fund, freeing up to billions of dollars of already-collected fees to be used for operations and maintenance of the country's ports.
- The Protecting Our Infrastructure of Pipelines Enhancing Safety (PIPES) Act of 2020, bipartisan legislation to help ensure that the millions of miles of pipelines in the U.S. are safe, reliable, and environmentally-sound; also includes provisions to require leak detection and

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repair programs to reduce methane pollution, as well as resolves the Pipeline and Hazardous Materials Safety Administration's bureaucratic inability to protect coastal waters and the Great Lakes as previously mandated by Congress.

UPDATE ON WATER INFRASTRUCTURE FUNDING / NEW CONGRESS & ADMINISTRATION

According to intel from Key Advocates, the incoming Biden Administration has said it wants to start pushing an infrastructure bill in February. Practically-speaking what that means is an open question, but the important thing to remember is that the existing surface transportation law, which is operating on a one-year extension, will expire at the end of September of this year. That means what to do in fall will almost certainly be the center of infrastructure talks on the Hill. The real question is whether lawmakers end up passing a bill that keeps the same types of existing funding or takes a more revolutionary route.

The attached report from Key Advocates includes a full run down of the various vehicles for funding increases to support water infrastructure investment, some measures that may be considered during the next session of Congress. The run-off elections for the two Georgia Senate seats will dictate the balance of the Senate and greatly impact progress of priorities of the incoming Biden Administration.

"Water items of interest" included:

- Alternative Water Source Program \$600M see p. 49 of the Section-by-Section and pp.1122-1124 of the Bill Text;
- Clean Water SRF -\$40B (\$8B annually for 5 years) see p.50 of the Section-by-Section and pp.1132-1133 of the Bill Text;
- Safe Drinking Water SRF \$4.140B for FY22; \$4.8B for FY23; and \$5.5B for FY 24 and 25 see p.61 of the Section-by-Section and p.1463 of the Bill Text; and,
- Title 16 WIIN Grants \$500M see p.78 of the Section-by-Section and pp.1781-1783 of the Bill Text; and,
- Rewrite of the Huffman omnibus bill including a process to de-authorize inactive USBR water projects

The three bills of greatest importance are the WRDA reauthorization bills, "America's Water Infrastructure Act of 2020" (AWIA) and the "Drinking Water Infrastructure Act of 2020"). These include funding levels that are supported by the CWCC.

Highlights of these bills and others are included in the full report from Key Advocates.

UPDATED CWCC WEBSITE LAUNCHED

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The new website is now live and the same address. See: www.cleanwaterconstructioncoalition.org

The website was given a modern look and design to match our new logo. We also refreshed the Mission Statement, with input from CWCC Members.

MISSON STATEMENT: The mission of the Clean Water Construction Coalition is to promote federal actions that increase funding and accelerate project delivery for water infrastructure and related projects.

We appreciate the CWCC Members that provided input on these items. The new website was designed specifically so we can build in future components of our near and longer-term priorities, for example, a Best Management Practice (BMP) Section.

KEY ADVOCATES REPORT

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



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January 2021 Insights

Note: this is the final report for the 116th Congress.

Consolidated Appropriations Act, 2021 and the Coronavirus Response and Relief Supplemental Appropriations Act, 2021

On December 27, the President signed into law, as one vehicle, the Consolidated Appropriations Act, 2021, which funds the government at \$1.4 trillion through next September and the Coronavirus Response and Relief Supplemental Appropriations Act, 2021. On December 21, Congress passed the bill with bipartisan majorities of 359-53 in the House and 92-6 in the Senate.

"Water" highlights from the Appropriations portion are \$63.665M for Title XVI, of which \$20M is for WIIN Act projects, and \$55M for WaterSMART grants. Also, funding for the CWSRF and the SDWSRF are the same as FY20 - \$1.6B and \$1.1B respectfully.

Transportation highlights from the Appropriations portion are \$45614B for highways, \$1B for bridge replacement and rehabilitation, \$12.5B for transit, \$194M for NHTSA, \$623M for highway safety, \$236M for FRA, \$2B for Amtrak, \$2M for mag lev, \$328M for motor carrier safety, and \$155M for MARAD.

Transportation highlights from the Coronavirus Act portion are \$14B for transit including \$50M for paratransit providers; \$10B for state and local transportation departments to replace revenues; \$1B for Amtrak for operations and to prevent further employee furloughs; \$2B for motorcoach and bus operators, school bus companies, and U.S. flag passenger vessel operators; \$2B for airports to retain personnel, continue operations and provide relief for retailers at the airport (i.e. concessionaires); \$15B to extend the Payroll Support Program for aviation employees through March 31, 2021; and, \$2B for FEMA's Disaster Relief Fund and assistance to cover funeral expenses for deaths from COVID.

Earmarks

To review, per Steny Hoyer, House Majority Leader, Dems are planning to bring back earmarks – "safe, transparent, and accountable Congressionally-directed spending." This will part of the FY22 appropriations process. House Appropriations Chair DeLauro and T&I Chair DeFazio are also fully supportive of bringing earmarks back.

S. 1932, "Drought Resiliency and Water Supply Infrastructure Act"

Final Status: No Committee or full Senate action on S. 1932 with negotiations to resume next Congress. Apparently, negotiations hit an impasse while pending was a proposed compromise wherein the Republicans would get more funding for water storage in return for the Dems getting more funding for recycled water (\$160M over 5 years). Also, no Senate action on a one-year extension of both the WIIN Storage and Title XVI programs.

To review, the bill was introduced on June 20 by Senators Gardner and Feinstein. As introduced, it 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 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 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.

H.R. 1162, the "Water Recycling Investment and Improvement Act"

Final Status: No House action on the bill. Goal is next year.

To review, on Feb.13, Congresswoman Napolitano introduced the bill. On June 13, the Subcommittee on Water, Oceans, and Wildlife (WOW) of the Natural Resources Committee held a hearing on it and on March 11 the Full Committee marked it up. The bill 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; increases the limitation on the Federal share of individual Title XVI projects from \$20M to \$30M; and does not change the 25% Federal cost share.

Huffman Omnibus Water Bill

Final Status: No Committee or House action on the bill. Goal is next year.

To review, on January 10, Congressman Jared Huffman, Chair of the WOW Subcommittee of the Natural Resources Committee, unveiled a draft for comment of his omnibus water bill, the "FUTURE Drought Resiliency Act," that includes Cong. Napolitano's HR. 1162 and a section from Cong Harder's HR. 2473. The included Napolitano language increases from \$50M to \$500M the authorization for Title XVI WIIN grants and from \$20M to \$30M the Federal share. The Harder language authorizes \$300M per year for a new "Water Infrastructure and Drought Solutions Fund," of which \$100M is for ground water storage projects, \$100M for water reclamation and reuse projects, and \$100M for WaterSMART grants. Because it will take years for revenues (they would come from the existing reclamation fund) to reach the \$300M level, the authorizations are for FY2030-2060. Other provisions in the draft - \$750M for storage projects; \$240 for desalination projects; \$100M for disadvantaged communities without adequate drinking water; various technology provisions; and various ecosystem protection provision.

WRDA 2020

Final Status: Included in the FY21 Omnibus Appropriations Act without inclusion of the CWSRF and Alternative Water Source program reauthorizations. Plan is to address both in a mega infrastructure bill.

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

Final Status: No House action on the bill. Goal is as part of infrastructure effort.

To review, on March 10 Chair DeFazio, Water and the Environment Subcommittee Chair Napolitano, and Representatives Don Young and John Katko introduced the bill which was amended in markup to authorize \$14B over the next five fiscal years for the CWSRF, \$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 letter of support was submitted.

Hirono Water Legislation

Final Status: Targeted for the next Congress.

COVID Relief and Infrastructure: Next Year

On Dec. 22, President-elect Biden outlined his views on additional COVID relief legislation for next year – another round of checks, another extension of unemployment benefits, an eviction moratorium, more help for small businesses, money to help with vaccine distribution, and an infrastructure program. At the same time, Senator McConnell said that he'd insist the next bill include liability protections for businesses that he is open to more infrastructure.

Infrastructure: This Year

Final Status: Targeted by the new Administration and Hill Democrats for next year. The highway bill, still considered to be the driving force behind a mega infrastructure bill, is expected to be considered in the spring. In addition to including a one-year extension of the current highway program, this year's House Democrats' mega-infrastructure bill also includes \$40B for the Clean Water State Revolving Fund, \$500M for recycled water projects under the WIIN Act, a de-authorization process for inactive Title XVI projects, and \$600M for the Alternative Water Source Program. On the Senate side, the only committee to act so far on its portion of a highway bill (the Environment and Public Works committee) has not solicited input from the other committees of jurisdiction. Also, no Senate action on an infrastructure bill.

Infrastructure: Biden \$2T Campaign Plan

- Update roads, bridges and electric grids;
- Expand access to broadband;
- Upgrade 4 million buildings and weatherize 2 million homes over four years by providing homeowners with direct cash rebates and low-cost financing;
- Provide cities with high-quality, zero-emissions public transportation options, such as light rail networks;
- Achieve a carbon pollution-free power sector by 2035;
- Enable the creation of 1.5 million sustainable homes and housing units;

- Provide increased funding to meet long overdue clean and safe drinking water needs;
- Create union jobs in the construction industry;
- Create 1 million jobs in the auto industry and increase the demand for American-made, American-sourced clean vehicles;
- Provide consumers with rebates for trading in old, less-efficient vehicles for newer America-made vehicles;
- Construct 500,000 electric vehicle charging stations;
- Require all new American-built buses be zero-emissions by 2030; and,
- Establish new fuel economy standards to reduce pollution.

Senate Highway Bill

Final Status: No Senate action on the bill; targeted for next year; one-year extension enacted.

To review, the EPW bipartisan bill would authorize \$287B in highway spending, 90- percent of which would be distributed to the states by formula. The bill features a title on climate change which would authorize \$10.8B for various programs addressing resiliency and \$1B for electric, hydrogen, and natural gas vehicle charging and fueling stations. It provides billions for curbing emissions, reducing congestion and truck idling. It also streamlines infrastructure permitting and sets a two-year target for environmental reviews. Lastly, the bill would authorize \$12.5M per year to fund state and reginal pilot testing of user-based alternative revenue mechanisms to the gas tax.

House Highway Bill

Final Status: No House action on a multiyear bill; targeted for next year; one-year extension enacted.

To review, the bill provides \$494B in total funding from FY21 to FY25, as follows: \$319B for the highways; \$105B for transit; \$4.6B for safety; \$5.3B for motor carrier safety; and \$60B for passenger rail.

Bill Tracking

Will start with the beginning of the new Congress. Bills not enacted into law by the end of the current Congress (the 116th) do NOT carry over to the new Congress (the 117th).