

April 1, 2021

PRESIDENT BIDEN RELEASES BROAD INFRASTRUCTURE PROPOSAL

President Biden's Infrastructure Proposal was released with some details, with more details forthcoming. A follow-up email will be sent when more details become available. The <u>Biden Infrastructure Plan</u> is set for \$2.25T over 8 years, containing broad infrastructure program funding such as:

- \$111B for water infrastructure; assuming most of this funding would be for the SRFs, annual funding levels are roughly consistent with the House Proposal (\$13.2 B / year) detailed further in this report; and
- \$621B for highways (\$115B to modernize 20,000 miles of highways, roads, and main streets) and bridges (to fix the most economically significant large bridges and repair the worst 10,000 smaller bridges), highway safety (\$20B); and
- Transit (\$85B for modernization and system expansion) and rail (including \$80B for Amtrak's repair backlog and to modernize the Northeast Corridor); and
- Ports and inland waterways and ferries (\$17B), airports (\$25B); electric vehicles (\$174B to accelerate the shift to electric vehicles, consumer rebates and tax incentives to buy American-made electric vehicles; and
- High-speed broadband (\$100B); and
- New grant and incentive program to build a national network of 500,000 charging stations by 2030, replace 50,000 diesel transit vehicles, and electrify at least 20% of yellow school buses).

In addition, funding for programs argued as connected/related to infrastructure are included. For example, billions are slotted for housing, manufacturing, health care, research, community colleges, VA hospitals and federal buildings. Whether Congress accepts this additional funding and includes these programs into their infrastructure proposal(s) is unknown.



As per the attached report from Key Advocates, the combined price tag for this package and the second one to be announced within weeks (health care, child tax credit, paid medical and family leave, etc.) could come in at more than \$4T. Spending would be offset by a tax increase of up to \$3T targeted at wealthier Americans and corporations – an increase in the top individual tax rate for those making over \$400,000 from 37% to 39.6% and an increase in the corporate tax rate from 21% to 28%. Also possibly included, though not verified, taxing capital gains as normal income and imposing a minimum tax on profits companies make from foreign subsidiaries. Not included are an increase in the gas tax and the imposition of a vehicle mileage tax.

National infrastructure and business interest groups have been quoted celebrating the focus on a broad range of infrastructure programs while calling out challenges with the "pay for" targets and potential imposition of new regulatory and other measures related to labor. CWCC plans to focus on funding levels in its advocacy and recommends all CWCC members review the proposal details as state-by-state conditions related to regulations and labor vary greatly.

HOUSE & SENATE WATER INFRASTRUCTURE FUNDING PROPOSALS

On March 24th, the Senate Environment and Public Works (EPW) Committee unanimously approved legislation to provide about \$35 billion over five years for the drinking water and clean water programs. The measure, which the EPW committee cleared by a bipartisan 20-0 vote, has as its centerpiece **\$14.65** billion each for the Drinking Water and Clean Water SRFs.

As previously reported, the House Committee on Transportation and Infrastructure (T&I) moved forward with a proposal that would authorize \$50 billion in direct infrastructure investment over the next five years. The Clean Water Construction Coalition is listed as an early supporter of this bill as it meets our funding level objectives for the Clean Water SRF programs and more.

The following is a simplified comparison, all showing how the proposals are all improvements over FY '21 funding levels. As previously stated, the President's proposal for water (assuming the funding is targeted for SRF programs) is in line with the House funding levels.

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	FY '21 Funding	Senate Proposal	House Proposal
	Level	(5 years)	(5 Years)
Clean Water	\$1.6 B	\$2.9 B	\$8.0 B
SRF / Year			
Drinking	\$1.1 B	\$2.9 B	\$5.2 B
Water SRF /			
Year			
TOTAL	\$2.7 B	\$5.8 B	\$13.2 B

INVITATION FROM CONNECTICUT CONSTRUCTION INDUSTRIES ASSOCIATION

CWCC Members have been invited to join a Virtual Infrastructure Summit on Tuesday April 6th featuring Congressman Peter DeFazio (Chair, House T&I) and Congresswoman DeLauro (Chair, House Appropriations Committee). Please see attached flyer for more details. Thanks to Don Shubert, President of CCIA for extending this invitation.

KEY ADVOCATES REPORT

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



(703) 340-4666 www.keyadvocates.com

April 2021 Insights

Infrastructure Bill: March Activities

On March 1, the Senate Environment and Public Works Committee started work on a surface transportation reauthorization bill. The House Transportation and Infrastructure Committee has already begun work on its bill. The highway bill is likely to be the engine that drives the mega infrastructure train.

On March 2, Majority Leader Schumer said he planned to turn to President Biden's Build Back Better plan as soon as the COVID relief bill is dispensed with. Senate Budget Committee Chair Sanders said he would even move an infrastructure plan through reconciliation, allowing Democrats to make fewer compromises with Republicans. Senate Appropriations Committee Democrats said they'd rather go the traditional route with a bipartisan bill. The House will likely introduce a revamped version of the \$1.5 trillion infrastructure bill it passed in the last Congress (see below). Senate leaders plan to report their bill to the floor by Memorial Day.

On March 3, Chair of the House Committee on Transportation and Infrastructure DeFazio (D-OR) renewed his call for passing a mega infrastructure bill after the American Society of Civil Engineers gave U.S. infrastructure an overall grade of C- on its 2021 Infrastructure Report Card. ASCE releases its Card once every four years, assigning an overall letter grade to the Nation's infrastructure.

On March 5, the President and Transportation Secretary Buttigieg, met with Reps. DeFazio, Graves(R-Mo.), Davids (D-Kan.), Davis (R-Ill.), Garamendi (D-Calif.), Katko (R-N.Y.), Fitzpatrick (R-Pa.) and DC Delegate Eleanor Holmes Norton, to discuss infrastructure.

On March 11, Democrats on the House Energy and Commerce Committee unveiled the "LIFT America Act" - its \$312B infrastructure package that would authorize major investments in the country's electrical, energy, and water (Safe Drinking Water SRF at @\$26B) infrastructure.

On March 14, Speaker Pelosi indicated that Democrats are moving full steam ahead in pursuit of an infrastructure and jobs package and that they will quickly work to pass a top priority of the Biden Administration.

On March 22, the House Energy and Commerce Committee held a full committee hearing on its LIFT Act.

On Match 23, it was reported that the President's "Build Back Better" proposal could approach \$4T and that it would be pursued on two tracks – the first would center on roads, bridges, and other infrastructure as well as various climate change initiatives; the second on education and

other priorities, including extending the child tax credit, universal prekindergarten and tuition-free community college.

On March 24, the Senate Environment and Public Works Committee marked up on a bipartisan basis the "Drinking Water and Wastewater Infrastructure Act of 2021 which includes \$14.65B over five fiscal years for both the CWSRF and SDWSRF and \$125M over five fiscal years for the Alternative Water Source Program, presumably for inclusion in a Senate mega infrastructure bill.

On March 25, Pete Buttigieg, Secretary of Transportation, testified before the House T&I Committee on infrastructure.

Also on March 25, at his press conference, the President announced that infrastructure is his next priority and that there would be some announcement about his package the week of March 29.

Today, March 31, the President will announce3 the first part of his multitrillion-dollar economic recovery package, focusing on rebuilding roads, bridges and other infrastructure (more details forthcoming), to be followed by a separate plan later in April addressing child and health care. Biden wants the infrastructure bill passed this summer at the latest.

Last year the House Democrats passed their mega-infrastructure bill, H.R. 2 "Moving Forward Act" (\$1.5T) which included \$40B for the CWSRF, \$25B for the SDWSRF, \$600 M for the Alternative Water Source Program (AWSP), and \$500 M for water recycling grants under the WIIN Act with project de-authorization process for inactive projects.

Biden Infrastructure Proposal (note: follow-up email forthcoming as more details become available)

The report is that the infrastructure plan will come in at \$2.25T, contain funding for things like broadband, highways, and housing as follows: \$621B for highways (\$115B to modernize 20,000 miles of highways, roads, and main streets) and bridges (to fix the most economically significant large bridges and repair the worst 10,000 smaller bridges), highway safety (\$20B), transit (\$85B) for modernization and system expansion), rail (including \$80B for Amtrak's repair backlog and to modernize the Northeast Corridor), ports and inland waterways and ferries (\$17B), airports (\$25B); electric vehicles (\$174B to accelerate the shift to electric vehicles, consumer rebates and tax incentives to buy American-made electric vehicles, a new grant and incentive program to build a national network of 500,000 charging stations by 2030, replace 50,000 diesel transit vehicles, and electrify at least 20% of yellow school buses); \$300B for housing; \$300B to booster U.S. manufacturing including \$50B for semiconductor manufacturing and \$30B for medical manufacturing; \$400B for elderly and disabled care; expand access to long-term Medicaid care services; give caregiving workers the opportunity to join a union; \$213B for housing including building and rehabilitating more than 50,000 homes for low and middle income homebuyers; \$180B for research in critical technologies; \$111B for water infrastructure to replace all lead pipes and service lines and to upgrade clean water, drinking water, wastewater and storm water systems; \$100B to build new schools and upgrade existing buildings, \$12B for community colleges infrastructure needs; \$25B to upgrade child care facilities; \$100B for broadband; \$100B for workforce development including \$40B to retain dislocated workers; and, \$18B to modernize Veterans Affairs' hospitals and \$10B to modernize federal buildings.

The combined price tag for this package and the second one to be announced within weeks (health care, child tax credit, paid medical and family leave, etc.) could come in at more than \$4T. Spending would be offset by a tax increase of up to \$3T targeted at wealthier Americans and corporations – an increase in the top individual tax rate for those making over \$400,000 from 37% to 39.6% and an increase in the corporate tax rate from 21% to 28%. Also possibly included, though not verified, taxing capital gains as normal income and imposing a minimum tax on profits companies make from foreign subsidiaries. Not included are an increase in the gas tax and the imposition of a vehicle mileage tax.

H.R.1015, the "Water Recycling Investment and Improvement Act"

On February 11, Congresswoman Napolitano introduced H.R.1015 with 13 cosponsors - it is the same bill she introduced last Congress as H.R.1162. It increases the WIIN Act authorization for water recycling grants to \$500M, strikes certain requirements, and increases the Federal share from \$20 to \$30 M. Last Congress, H.R.1162 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.

S. 941, "Drinking Water and Wastewater Infrastructure Act of 2021"

On March 24, the Senate Environment and Public Works Committee, on a bipartisan basis, reported the above bill which provides, in part, \$14.65B over the next five fiscal years for both the Clean Water and Safe Drinking Water SRF's and \$125M over the next five fiscal years for the Alternative Water Source Program.

H.R. 1915, "Water Quality Protection and Job Creation Act of 2021"

On March 17, Chairman DeFazio (with Subcommittee Chair Napolitano) introduced the above bill - \$40B over five fiscal years for the Clean Water SRF and \$1B for the Alternative Water Source Program. The Coalition is listed as one of the supporting entities.

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

Still waiting on the Senate Energy and Natural Resources Committee regarding the plans for the above bill from last Congress. Last year the Gardner/Feinstein bill, which was in ongoing negotiations, had bipartisan support generally but Senator Manchin had some concerns (unknown) that created a roadblock that was not resolved. The last compromise we heard was the one that proposed \$160 M over 5 years for recycled water projects (WIIN Act).

Congressman Huffman's Omnibus Water Bill

The plan is to introduce a Huffman omnibus water bill with modifications from the draft he had last Congress and which was included in H.R. 2. That draft included the Napolitano bill and a proposed \$300 water trust fund, with \$100M earmarked for recycled water projects. Introduction timing unclear.

Senator Hirono Water Bill

Senator Hirono staff has said that the Senator will be introducing a water bill. Still no further information.

Senate Highway Bill

Senate Democrats plan to scrap a bipartisan surface transportation bill, S. 2302, drafted last Congress for a new proposal that contains more aggressive proposals on climate issues and other Democratic priorities. To review last Congress, the EPW bipartisan 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 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 reginal pilot testing of user-based alternative revenue mechanisms to the gas tax. No action was taken by the Senate on the bill. The highway program was extended for one year.

House Highway Bill

Staff currently working on a multiyear bill. To review last Congress, no House action on a multiyear bill; one-year extension enacted. The multiyear bill provided \$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.

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

To review, on December 27, the President signed into law, as one vehicle, the Consolidated Appropriations Act, 2021, which funds the government at \$1.4T through next September and the Coronavirus Response and Relief Supplemental Appropriations Act, 2021.

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

Bill Tracking

Summaries and updates included as available.

H.R.1915 — 117th Congress (2021-2022)

To amend the Federal Water Pollution Control Act to reauthorize certain water pollution control programs, and for other purposes.

Sponsor: Rep. DeFazio, Peter A. [D-OR-4] (Introduced 03/16/2021) Cosponsors: (2)

Committees: House - Transportation and Infrastructure

Latest Action: House - 03/17/2021 Referred to the Subcommittee on Water Resources and

Environment

<u>H.R.1660</u> — 117th Congress (2021-2022)

To make certain municipalities eligible for grants under the Federal Water Pollution Control Act, and for other purposes.

Sponsor: Rep. Trahan, Lori [D-MA-3] (Introduced 03/08/2021) Cosponsors: (4)

Committees: House - Transportation and Infrastructure

Latest Action: House - 03/09/2021 Referred to the Subcommittee on Water Resources and

Environment

H.R.1563 — 117th Congress (2021-2022)

To extend the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing operational flexibility, drought relief, and other benefits to the State of California.

Sponsor: Rep. Garcia, Mike [R-CA-25] (Introduced 03/03/2021) Cosponsors: (10)

Committees: House - Natural Resources; Science, Space, and Technology

Latest Action: House - 03/03/2021 Referred to the Committee on Natural Resources, and in addition to the Committee on Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the..

H.R.1881 — 117th Congress (2021-2022)

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

Sponsor: Rep. Garamendi, John [D-CA-3] (Introduced 03/12/2021) Cosponsors: (1)

Committees: House - Transportation and Infrastructure

Latest Action: House - 03/15/2021 Referred to the Subcommittee on Water Resources and

Environment.

H.R.227 — 117th Congress (2021-2022)

To provide dedicated funding for the national infrastructure investment program and the capital investment grant program, and for other purposes.

Sponsor: Rep. Hastings, Alcee L. [D-FL-20] (Introduced 01/06/2021) Cosponsors: (1)

Committees: Transportation and Infrastructure; Ways and Means

Latest Action: 01/06/2021 Referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means.

<u>H.R.1289</u> — 117th Congress (2021-2022)

To require States to establish complete streets programs, and for other purposes.

Sponsor: Rep. Cohen, Steve [D-TN-9] (Introduced 02/24/2021) Cosponsors: (12)

Committees: House - Transportation and Infrastructure

Latest Action: House - 02/25/2021 Referred to the Subcommittee on Highways and Transit.

<u>H.R.1812</u> — 117th Congress (2021-2022)

To amend titles 23 and 49, United States Code, to streamline the environmental review process for major projects, and for other purposes.

Sponsor: Rep. Davis, Rodney [R-IL-13] (Introduced 03/11/2021) Cosponsors: (18)

Committees: House - Transportation and Infrastructure

Latest Action: House - 03/11/2021 Referred to the House Committee on Transportation and

Infrastructure.