



May 3, 2021

## US SENATE PASSES DRINKING WATER AND WASTEWATER ACT OF 2021

On April 29<sup>th</sup>, by a vote of 89-2, the United States Senate passed the [Drinking Water and Wastewater Infrastructure Act of 2021](#) (DWWIA) sponsored by Senator Tammy Duckworth of Illinois.

DWWIA would reauthorize the critical programs supported by the CWCC. Specifically, the bill would:

- Reauthorize the CWSRF at increased levels--growing the program to **\$3.25 billion annually** over five years for a **total of \$14.65 billion**.  
Reauthorize the DWSRF, which expires at the end of 2021--growing the program to **\$3.25 billion annually** for a **total of \$14.65 billion**.
- **Each SRF** would receive escalating funding on the following schedule: \$2,400,000,000 for FY2022; \$2,750,000,000 for FY2023; \$3,000,000,000 for FY2024; \$3,250,000,000 for both FY2025 and FY2026.

Although these funding levels are less than the House proposal and the proposal floated by President Biden (currently the two programs have combined averaged about \$2.5 billion annually) If DWWIA were to become law, in the first year alone the SRF programs would see a **92% increase** over prior years.

DWWIA also authorizes **\$710 million** to address the public health crisis of lead contamination in drinking water, including:

- **\$100 million** annually to the Lead Reduction Grant program
- **\$35 million annually** for the emergency fund at EPA that can be used to address public health emergencies caused by lead in drinking water
- Expands the Small and Disadvantaged Community Grant Program to allow grant funds to be used for the purchase of filters and filtration systems

Passage of the DWWIA represents a significant increase over previous reauthorizations, but falls short of the massive investment called for by the House of Representatives and President Biden's [American Jobs Plan](#), which each dedicated upwards of \$100 billion. It is unclear at this time how Congress will bridge the gap between plans, but one thing is clear: CWCC members stand to gain substantially from the passage of either of these proposals.

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Robert Briant, Jr. – Chairman

AGC of America • AGC of Texas • Alabama Utility Contractors Association • Arizona Utility Contractors Association • Associated Pennsylvania Constructors • Associated Utility Contractors Of Maryland\* • Connecticut Construction Industries Association • CIC of Westchester County & Hudson Valley\* • Engineering Contractors Association • General Contractors Association Of New York • Georgia Utility Contractors Association • Indiana Constructors Inc. • Long Island Contractors Association • Maryland Transportation Builders & Materials Association • Michigan Infrastructure & Transportation Association • Minnesota Utility Contractors Association\* • National Rural Water Association • New Mexico Utility Contractors Association • NYSLECET • Ohio Contractors Association • Public Works Contractors Association of Maryland • Tennessee RoadBuilders Association • Underground Contractors Association of Illinois\* • United Contractors\* • UCA of Anne Arundel County • Utility Contractors Association of New England\* • Utility & Transportation Contractors Association of New Jersey\* • Contractors Association of West Virginia • Wisconsin Underground Contractors Association

\* Steering Committee Member



## JOIN THE PUSH FOR FEDERAL INFRASTRUCTURE FUNDING

CWCC leadership will be participating in several national events in the coming weeks to push for our [PRIORITIES](#). Just a reminder for you to take the time to set up meetings with your home state delegations to ensure your representatives in DC understand the priorities from the CWCC perspective. A push on your chosen social media platform(s) is also encouraged. There is a lot of buzz right now around infrastructure with water finally being considered a federal priority for the first time in a generation.

Last week CWCC sponsored and participated in "**Water Week**" in several virtual events between April 25th - May 1st. This series of virtual events and targeted communications was organized by a group of national partners including the CWCC. This broader water sector approach helps us push our priorities as others push for the same and more--addressing water affordability and making our critical infrastructure more resilient. The pandemic has underscored the critical role the water sector plays in ensuring the health and well-being of all communities. 2021 will be a critical year for engaging with federal policymakers to advance this message. For more information about the Water Week events and materials [CLICK HERE](#).

UTCA of NJ and other CWCC members will also be participating in the virtual **ARTBA Federal Issues Program & TCC Fly-In** on May 18th-20th. This will feature discussions on infrastructure funding, workforce, and economics with ARTBA senior leaders, industry executives, members of Congress and their staffs, and Biden administration officials. CWCC members that participate in this event should pay particular attention to conversations about the broader infrastructure package and avoid any concessions that disadvantage water infrastructure.

For more than 40 years the American Water Works Association and its members have celebrated **Drinking Water Week**--a unique opportunity for both water professionals and the communities they serve to recognize the vital role water plays in our daily lives. This year's celebration will be this week--May 2-8, 2021. For more information, [CLICK HERE](#).

A broader "**Infrastructure Week**" is taking place on May 10th-14th sponsored by United for Infrastructure, with key partners in the engineering and broader business community at the table. CWCC will be participating in some of those events and you are welcome to join. [CLICK HERE](#) for more information.

## KEY ADVOCATES REPORT

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

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## *May 2021 Insights*

### **Infrastructure**

On April 22, a group of Senate Republicans outlined their infrastructure plan, a much narrower vision than the approach backed by President Biden. The GOP package would cost \$568 billion compared to the Biden \$2 trillion package. It also would not address policies such as care for elderly and disabled people, which Biden included in his plan:

- \$299 billion for roads and bridges
- \$65 billion for broadband
- \$61 billion for public transit
- \$44 billion for airports
- \$35 billion for drinking water and waste water systems
- \$20 billion for railways
- \$17 billion for ports and inland waterways
- \$14 billion for water storage
- \$13 billion for safety measures

The GOP proposal is backed by Sens. Capito, Wicker, Toomey and Barrasso. Democrats, who have stressed the need for a sprawling infrastructure package, will likely reject the lower price tag. Capito called the framework an effort to start a conversation toward a compromise with Democrats, and said the investments would be fully funded through policies including user fees on electric vehicles and repurposing of unused state and local relief passed as part of coronavirus aid bills. She said the GOP aims to maintain tax cuts passed in 2017, which Biden wants to partly reverse.

Also on April 22, House Transportation Chair DeFazio said he will unveil soon a surface transportation bill that largely tracks his package from last year - a \$500 billion bill that included provisions to combat climate change with reauthorizing surface transportation programs. DeFazio called the bill a “starting point” and that his committee will consider it next month. He also noted that “the numbers and the programs in that bill are very close to what Biden has proposed in the American Jobs Plan,” and defended the revival of earmarks for the upcoming bill.

On April 23, the House Problem Solvers Caucus unveiled an infrastructure proposal that included a gas tax increase as an alternative to raising corporate taxes, among other policy recommendations. The gas tax would be indexed to factors including fuel economy standards, construction costs and inflation. The group also suggested looking at a modest annual registration fee for electric and hybrid vehicles or freight value-based user fee as alternative options to help pay for infrastructure.

In the Senate, so far we've only seen that the Environment and Public Works (EPW) Committee is working on its highway bill, and that their water bill has been reported out (discussed below). As usual, the Senate is expected to follow the lead of The White House and House.

## **Biden Infrastructure Proposal**

To review, the \$2.25T proposal includes the following: \$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.

## **Biden FY22 Water Budget**

The Biden FY22 Budget was presented in an unusual format. Only funding for discretionary programs was included and program descriptions and over all funding levels were presented in narrative form without budget account specific numbers. Direct spending programs, like the highway and entitlement programs, are yet to be submitted. From his Budget:

Water: \$56 billion for upgrading drinking water, wastewater and storm water systems. \$3.6 billion for water infrastructure, an increase of \$625 million over the 2021 enacted level, to advance water infrastructure improvement efforts for community water systems, schools, and households, such as repairing up to 180,000 septic systems, as well as broader efforts to improve drinking water and waste water infrastructure while creating good-paying construction jobs across the Nation and in tribal communities.

Western Water: The Bureau of Reclamation supports the development, conservation, management, and restoration of water and related natural resources in the 17 western States and on tribal lands, while balancing competing uses of water. The discretionary request provides funding for programs, such as WaterSMART grants, to improve water conservation and energy efficiency. Reclamation investments address challenges resulting from climate change and shifting demographics to support: reliable water and hydropower deliveries; to help maintain healthy ecosystems; to protect federally-listed species; and to manage risks from droughts, floods, and fires.

## **Biden FY22 Transportation Budget**

DOT's discretionary resources are only a fraction of the Department's total budgetary resources. The majority of DOT's financial assistance to States, localities, and transportation authorities is provided through mandatory funding derived from the Highway Trust Fund, as part of multiyear surface transportation authorizations. The current authorization, the Fixing America's Surface Transportation Act, expires at the end of 2021.

- Rail: \$625 million for a new passenger rail competitive grant program to invest in passenger rail as a competitive, low-carbon option for intercity travel. Also, \$375 million for Consolidated Rail Infrastructure and Safety Improvement grants to improve safety, throughput, and reliability of the Nation's rail network.
- Amtrak: \$2.7 billion for Amtrak for improvements and expansion on the Northeast Corridor and throughout the Nation's passenger rail network.
- Transit: \$2.5 billion for the Capital Investment Grant program to improve accessibility to high-quality transit.
- Buses: \$250 million for grants for transit agencies to purchase low-no-emission buses.
- Communities Initiative Pilot: \$110 million for grants and technical assistance to communities to improve access to destinations and foster community vibrancy.
- Competitive Infrastructure Grant Programs: \$1 billion for the Better Utilizing Investments to Leverage Development (BUILD) grant program for innovative surface transportation infrastructure projects with significant benefits.
- Air Traffic Safety and Efficiency: Supports the growing costs of managing the national airspace system (NAS), continues investments to improve aviation safety, integrates new NAS entrants including unmanned aircraft systems and commercial space launches, and improves data analytics and decision-making.
- Merchant Mariners: Funds to purchase the fifth and final State maritime academy training vessel within the Maritime Administration.
- Civil Rights Enforcement: Increases the budget for the Office of Civil Rights to further the President's equity agenda.

## **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. To date no further word on its consideration.

## **S. 941, “Drinking Water and Wastewater Infrastructure Act of 2021”**

On April 28, the Senate passed the bill by a vote of 89-2. Passage of this bill is a very positive step for a number of reasons – it is the first time in a long time that the Senate has passed a CW/SDW SRF reauthorization bill; this will put the issue in conference with the DeFazio bill probably in the context of a mega infrastructure bill; and, the outcome of the conference could see a significant increase in the SRF’s (for the CWSRF and SDWSRF, \$14.65B for each in the Senate bill versus \$40B for the CWSRF in the DeFazio bill and \$26B for the SDWSRF in the Energy and Commerce Committee bill.

To review, 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. Markup is expected in May.

## **STREAM Act: “Support to Rehydrate the Environment, Agriculture, and Municipalities Act”**

A draft by Senator Feinstein for which letters of support/comments were requested by April 15. 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 noted above, with the outcome closer to the higher Napolitano funding levels.

## **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 regional 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**

Chairman DeFazio says that he wants a bill by the third week in May (see comments above). 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.1660](#) — 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.2173 — 117th Congress (2021-2022)

**To amend the Federal Water Pollution Control Act with respect to wastewater infrastructure workforce development, and for other purposes.**

**Sponsor:** Rep. Stanton, Greg [D-AZ-9] (Introduced 03/23/2021) **Cosponsors:** (0)

**Committees:** House - Transportation and Infrastructure

**Latest Action:** House - 03/24/2021 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

H.R.1812 — 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.

H.R.2204 — 117th Congress (2021-2022)

**To amend title 23, United States Code, to establish additional requirements for certain transportation projects with estimated costs of \$2,500,000,000 or more, and for other purposes.**

**Sponsor:** Rep. DeSaulnier, Mark [D-CA-11] (Introduced 03/26/2021) **Cosponsors:** (0)

**Committees:** House - Transportation and Infrastructure

**Latest Action:** House - 03/29/2021 Referred to the Subcommittee on Highways and Transit.