



September 8, 2021

HOUSE PLANS TO VOTE ON INFRASTRUCTURE PACKAGE BY SEPTEMBER 27

On August 24th, the House adopted a plan to consider the Senate-passed Infrastructure Investment and Jobs Act (IIJA) by September 27 of this year and passed a procedural vote allowing work to begin on a separate, \$3.5 trillion social spending package. If passed by the House with no amendments on this schedule it would go to the President for his signature by the end of September. According to Sante Esposito, the amounts in both bills are actual appropriations not authorizations. In his opinion, there remain open questions about how these appropriations relate to the FY22 appropriations process. Sante has been very active pushing CWCC's goals for us during this process.

The funding levels in the Senate Bill remain the working assumptions for the House Bill. Please see the August CWCC Report for those funding levels. The 220-212 party-line vote ends a stalemate between Speaker Pelosi and a group of Democratic centrists led by NJ Congressman Josh Gottheimer, who wanted the IIJA passed before the \$3.5 trillion social package was taken up for consideration. Passing the IIJA as soon as possible is imperative because the current surface transportation law, known as the FAST Act, expires on September 30.

If passed, the IIJA would be transformative for water and other infrastructure and this House agreement brings us one step closer to this historic investment. We will keep you updated as this landmark bill progresses.

VIRTUAL CWCC BUSINESS MEETING – FALL 2021

Due to operational challenges, we will delay our planned *VIRTUAL* CWCC Business Meeting until later in the fall. CWCC members are still welcome to participate in the Association of Equipment Manufacturers' national event, The Utility Expo (formally known as ICUEE): <https://www.theutilityexpo.com/> Those interested in attending/sponsoring this event please contact Mike Parilac with Planet Underground (mike@planetunderground.tv) directly.

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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



Event Description

The Planet Underground aspects of the Expo branded “The Jobsite” represents the first-ever opportunity for service-based companies to directly participate in The Utility Expo. Consisting of 80,000 square feet of outdoor space dedicated to creating an actual construction site, this event is used for promotion of safe work and damage prevention practices through peer-to-peer education. It is a networking event where food and refreshments can be enjoyed in a casual, nontraditional setting.

The Jobsite is a construction site. Sponsoring firms must have operating personnel in attendance. In most all cases, the equipment and supplies will be provided by companies exhibiting at The Utility Expo. *The Jobsite* is the only location within the 30-acre indoor and outdoor event site to have complete integration of sponsor activities. With its own food and refreshment centers, *The Jobsite* is a unique event allowing sponsoring organizations to network with their customers, potential customers, and suppliers in a relaxed environment.

KEY ADVOCATES REPORT

Included with this notice is Key Advocates recent report which is current to August 31, 2021.



(703) 340-4666

www.keyadvocates.com

September 2021 Insights

NOTE: Senate in recess until Sept.13; the House until Sept. 20.

Infrastructure Bills Generally

Potentially two. The first – a core infrastructure bill – has passed the Senate and is pending in the House with action no later than September 27. The second - 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.

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
- \$40B for Bridges
- \$16B for Major Surface Transportation Projects
- \$11B for Transportation Safety
- \$39B for Transit
- \$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

Regarding the House, on August 24 the House agreed to vote on the Senate passed core infrastructure bill on September 27. The House rule outlining consideration of the Senate bill does NOT allow for amendments to it, thereby leaving to the human infrastructure bill the inclusion of other issues, both new and/or modified.

Human Infrastructure Bill

On August 11, the Senate passed a \$3.5T budget resolution proposal. It is not a bill or a joint resolution, but rather a concurrent resolution. The President doesn't have to take any action on it - - Congress defines the funding levels for itself. The resolution does not include programs or policies – just large aggregate funding levels for each of the 19 major categories that comprise the Federal budget. The \$3.5T does assume certain things are going to happen. It directs the Senate committees to find programs under their jurisdictions that add to this number (see list below). On August 24, the House passed the Senate resolution. Passage of the budget resolution by both chambers unlocks the ability for Democrats to use reconciliation (only requires a simple majority for passage, not 60 votes in the Senate) 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, Democrats will now move on to the reconciliation plan, which still must be drafted with a draft due by Sept.15. The goal for final action is October 1.

The Senate Budget Committee summary lists some of the items that could be addressed:

- Paid family and medical leave
- Extensions of the child tax credit, earned income tax credit, and child and dependent care tax credit
- Clean energy, manufacturing, and transportation tax incentives
- Housing incentives
- “Pro-worker” incentives
- SALT cap relief
- Medicare expansion, Affordable Care Act expansion, long-term care, and “health equity”

The summary also lists the following as possible offsets that could be considered:

- Corporate and international tax reform
- Tax fairness for high-income individuals
- IRS tax enforcement
- Health-care savings
- Carbon polluter import fee

The following are highlights from the American Families Plan (part 2 of the Biden economic recovery effort):

- \$400 billion to extend the child tax credit
- \$225 billion to subsidize and improve childcare and boost pay for childcare workers

- \$225 billion for a national paid family and medical leave program
- \$200 billion for free universal preschool
- \$200 billion to reduce Obamacare premiums
- \$109 billion for free community college
- \$85 billion to boost Pell Grants
- \$45 billion for childhood and school nutrition programs

The package would be paid for by increasing the top tax rate, hiking the capital gains tax and stepping up IRS enforcement of tax evasion.

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

To date, the House has passed 9 of 12 FY22 appropriations bills, with one ready to go after the recess 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 - for example, as of August 31, there have been 617 water bills and 1442 infrastructure bills introduced since January. 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.