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## *July 2018 Insights*

### **Infrastructure: The Status**

With the departures at the National Economic Council, the Administration's advocacy efforts for a mega infrastructure bill are now being led by Department of Transportation Secretary Elaine Chao. On June 6, we met with her staff in support of a mega infrastructure effort. We focused on two points: that it be multimodal but limited to core infrastructure items - highways, bridges, transit, rail aviation and water - and that the Administration propose a specific funding mechanism as seed money. Regarding the latter, because the Administration has to date not done so, the Congress has been reluctant to put forth a funding source. Also, regarding Congress, the House Transportation Committee leaders are asking Members what they'd like to see in a potential infrastructure bill - even though no one expects such a thing to come together before the November election. Ranking Member Defazio said the outline could provide a template for the future, and Rep. Graves acknowledged that whatever the Committee comes up with it won't be a big, trillion-dollar spending bill like what the President wants. In addition, Chairman Shuster said his "real infrastructure bill" - not the FAA or WRDA bills) will be released before November with policies, pay-fors and a plan for the Highway Trust Fund. These recent Committee reports are consistent with the report last month that T&I Chairman Shuster is gearing up to introduce infrastructure legislation this summer - before the August recess or perhaps even before the July 4th break. It was also reported that Congressman Sam Graves, Chairman of the T&I Surface Transportation Subcommittee, said that Members would be working on a "framework" of transportation infrastructure concepts to put forward later in the year. Committee Ranking Democrat DeFazio said that, while he and Shuster are having some discussions, they are talking about potential funding and then presumably policy. We followed up the report with Committee staff meetings, as reported previously. In support of a mega bill, Reps. Earl Blumernauer (D-Ore.) and Tom Rice (R-S.C.) along with more than 80 other lawmakers sent a letter to House leadership urging them to pass a bill that would increase federal infrastructure investment, improve the federal permitting process and build upon financing tools like municipal and private activity bonds. We spoke with both offices to advise them of our support.

### **WRDA 2016 Reauthorization**

On June 6, by a vote of 408-2, the House passed its version of WRDA reauthorization - [H.R. 8](#), the "Water Resources Development Act of 2018." The bill is a "pure" Corps of Engineers bill - no extraneous matters. It was supported on a bipartisan basis in the Committee. No amendments were offered to include other "water programs" such as the Clean Water SRF. Chairman Schuster is still committed to a Corps only bill although he said he is "open" to other water issues in the context of an infrastructure bill. Committee Dems support doing so as evidenced by approval of many of the add-ons in the Senate bill. On May 22, the Senate EPW Committee reported (Floor action pending) its version of the bill - [S. 2800](#), "America's Water Infrastructure Act of 2018," which was amended to include S. 2364/H.R. 4902 (see below), the "SRF WIN

Act," with the following changes - the annual authorization level was reduced from \$200M to \$100M (and corresponding loan support totals); the duration of the new program reduced from 5 to 2 fiscal years; the \$7B per state cap deleted; and language regarding the funding relationship to the SRF's included. The first two changes were scorekeeping driven in that the higher authorization amount and additional fiscal years could not be supported by offsets. Also included in the bill was the Carbajal/Reed bill - H.R. 5596 (also included in the Senate bill) with changes - the authorization level was reduced from \$50M for each of FY18-22 to \$12.5M for each of FY19 and 20 (same scorekeeping issue). The reported bill also includes other related issues - DWSRF process changes, WIFIA reauthorization, WaterSense, green infrastructure provisions, water resources research, sense of the Congress on wastewater recycling, sense of the the Congress on access to non-potable water, etc. On June 8, we met with staff from the House T&I and SEPW Committees in support of the SRF WIN Act and "Carbajal" add-ons, with the caveat that the interest rate in the SRF WIN proposal be "up to the prevailing Treasury rate" and not tied to the specific prevailing rate.

### **FY19 House Interior Appropriations Bill (the SRF's)**

On June 6, the House Appropriations Interior Subcommittee approved its version of the FY19 Interior Appropriations Bill - \$1.4B for the CWSRF; \$863M for the SDWSRF; and, \$75M for WIFIA. The SRF levels are \$300M below FY18 levels, those levels as a result of raising the budget caps. No Senate Action to date.

### **FY19 House and Senate Transportation Appropriations Bill**

On June 5, the House Appropriations Committee approved its version of the FY19 DOT funding bill. FY19 is the second year of the two-year budget deal that Congress agreed to in February which raised the budget caps on both defense and domestic spending and designated at least \$10B per year in additional general funds for infrastructure programs. The House bill recommends that the highway and transit formula programs receive the same amount that was authorized in the FAST Act for those programs in FY19 plus additional funding from the General Fund (\$4.25B for highways and \$800M for transit). Other programs, such as transit Capital Improvement Grants (CIG) (New Starts/Small Starts/Core Capacity), are recommended to receive the same increased funding level as in FY18. The TIGER (now BUILD) program is recommended to receive \$750M, which is only half of the FY18 level of \$1.5B, but is significantly higher than in prior-year House bills, which often zeroed out TIGER, and higher than the pre-FY18 levels of approximately \$500M per year. On June 7, the Senate Appropriations Committee approved its version of the FY19 DOT funding bill. Key highlights include: FHWA - \$45.27B (the FAST ACT authorized level) plus an additional \$3.3B from the General Fund of which \$800M would be directed to bridge repairs and \$90M for highway-rail grade crossings; FAA - \$3.35B (the authorized level) plus an additional \$750M from the General Fund for the Airport Improvement Program (AIP). There no language increasing the Passenger Facility Charge (PFC) as in FY18; FRA - a total of \$1.9B for Amtrak, in addition to \$300M for FRA State of Good Repair (SOGR) grants, and \$255M for FRA Consolidated Rail Infrastructure and Safety (CRISI) grants; FTA - \$9.94B (the FAST Act authorized level) plus an additional \$800M from the General Fund for the FTA formula program; \$2.6B for the Capital Investment Grant (CIG) program which includes New Start, Small Start, and Core Capacity projects; and, BUILD (formerly TIGER) - \$1B. Both House and Senate bills are pending Floor action.

### **SRF WIN Bills**

S. 2364 was introduced by Senators John Boozman (R-AR), Chair of the Water Subcommittee of the Environment and Public Works Committee (EPW), and Senator Diane Feinstein (D-CA),

Ranking Democrat of the Energy and Water Appropriations Subcommittee. Cosponsors are Senators Jim Inhofe (R-OK), Chair of the EPW Transportation and Infrastructure Subcommittee and Cory Booker (D-NJ), Ranking Democrat of the EPW Superfund Subcommittee (now with 10 sponsors). H.R. 4902 was introduced by Congressmen John Katko (R-NY-24), a member of the Water Resources Subcommittee of the Transportation and Infrastructure Committee, and Earl Blumenauer (D-OR-3), a member of the Ways and Means Committee (now with 5 sponsors) and, if you recall, the author of the voluntary fee labeling bill.

Generally, the bills - a new loan program - are intended to combine the “best aspects of the SRF’s with the leveraging power of WIFIA.”

Specifically, the bills authorize \$200M for each of FY19-23 for states to apply for loans. There is a \$7B per state loan cap for the 5 years. Fifty percent of the funds would be loaned at the current Treasury rate. The bill states that those funds would support \$10B in loans per year. The other fifty percent would go to states that receive less than 2 percent of the total amount of funds made available to the states for the state loan funds for the most recent fiscal year OR to major disaster declared states if the loan is for a project related to wastewater or drinking water infrastructure damaged by the disaster. The bills states that those funds would support \$850M in loans per year. The Federal share for loans is up to \$100%. Eligible project activities are those included in a state’s SRF “intended use plan.”

The \$100,000 WIFIA application fee is waived. The application process is limited to 180-days maximum. No new project approval requirements would be needed - existing approvals would suffice. The new program is tied to FY18 appropriation levels for the SRF’s - if at any year in the appropriations process the SRF funding levels are below the FY18 levels, this new program will not kick in for that year.

Status Update: 2 cosponsors added to the Senate bill and 2 to the House bill since the last report.

### **Carbajal and Ellison Bills**

H.R. 5596 was introduced on April 24 by Congressmen Salud Carbajal (D-CA-24) and Tom Reed (R-NY-23) and H.R. 5609 and introduced on April 25 by Congressman Keith Ellison (D-MN-5). H.R. 5596 authorizes \$50M for each of FY18-22 for a new EPA grant program for owners or operators of water systems who wish to increase resiliency or adaptability to extreme weather events. Eligible projects include efforts to conserve water or increase efficiency in its use, preserve or improve water quality, rebuild or relocate threatened infrastructure, protect source waters, etc. The Federal share is 75%. H.R 5609 creates a new water trust fund financed by increasing the corporate tax rate from 21 to 24.5% with an annual funding cap of up to \$35B going into the trust fund. Of that amount, 45% would be available for the Clean Water SRF and 44% for the Safe Drinking Water SRF. Other water programs – pollution control, non-point source, agriculture programs, etc. – make up the balance.

Status Update: 1 cosponsor added to H.R. 5596 and 3 cosponsors added to H.R. 5609 since the last report.

### **Other Bills**

The Coalition has been involved in the formulation of the following bills which it continues to support and monitor: H.R. 3275, the WEST Act; H.R. 2510, the “Water Quality Protection and Job Creation Act of 2017;” H.R, 5127, the “Water Recycling Investment and Improvement Act;” and, H.R. 1647, the Water Infrastructure Trust Fund Act of 2017.”

## Natural Resources Committee Dems: McNerney Rewrite

They are looking at McNerney's WEST Act (H.R. 3275) which the Coalition was very much involved in, with the goal of re-writing the bill to reflect the Committee's jurisdiction and introducing it as such. The McNerney office just hired a new LD so they are letting him get settled before they go over the plan with him in more detail. Initial conversations with the Chief have taken place but they now have to get the LD up to speed.

### Earmarks

No further developments to date. As a result of the Rules Committee hearings on earmarks, it was decided that both parties would take the issue to their respective caucus for further deliberation. The Republicans have done so. There was some discussion in the caucus but not too extensive and no resolution was forthcoming. The Dems have not brought the issue up but are still planning to do so.

### Bill Tracking

H.R.434 — 115th Congress (2017-2018) **New WATER Act Sponsor:** Rep. Denham, Jeff [R-CA-10] (Introduced 01/11/2017) **Cosponsors:** (9) **Committees:** House - Natural Resources

Status Update: no change since the last report.

H.R.23 — 115th Congress (2017-2018) **Gaining Responsibility on Water Act of 2017 Sponsor:** Rep. Valadao, David G. [R-CA-21] (Introduced 01/03/2017) **Cosponsors:** (14) **Committees:** House - Natural Resources, Agriculture **Latest Action:** Passed House on July 12.

Status Update: no change since the last report.

H.R.465 — 115th Congress (2017-2018) **To amend the Federal Water Pollution Control Act to provide for an integrated planning and permitting process, and for other purposes. Sponsor:** Rep. Gibbs, Bob [R-OH-7] (Introduced 01/12/2017) **Cosponsors:** (1, now 8) **Committees:** House - Transportation and Infrastructure

Status Update: no change since the last report.

H.R.547 — 115th Congress (2017-2018) **National Infrastructure Development Bank of 2017 Sponsor:** Rep. DeLauro, Rosa L. [D-CT-3] (Introduced 01/13/2017) **Cosponsors:** (73, now 86) **Committees:** House - Energy and Commerce, Transportation and Infrastructure, Financial Services, Ways and Means

Status Update: 1 cosponsor added since the last report.

H.R.2479 — 115th Congress (2017-2018) **Leading Infrastructure for Tomorrow's America Act Sponsor:** Rep. Pallone, Frank, Jr. [D-NJ-6] (Introduced 05/17/2017) **Cosponsors:** (25) **Committees:** House - Energy and Commerce, Science, Space, and Technology, Transportation and Infrastructure, Ways and Means, Natural Resources

Status Update: no change since the last report.

H.R.100 — 115th Congress (2017-2018)

**Support Local Transportation Act**

**Sponsor:** Rep. Brownley, Julia [D-CA-26] (Introduced 01/03/2017) **Cosponsors:** (0, now 2)

**Committees:** House - Transportation and Infrastructure

Status Update: no change since the last report.

H.R.481 — 115th Congress (2017-2018)

**REBUILD Act**

**Sponsor:** Rep. Calvert, Ken [R-CA-42] (Introduced 01/12/2017) **Cosponsors:** (0)

**Committees:** House - Natural Resources

Status Update: no change since the last report.

H.R.966 — 115th Congress (2017-2018)

**TIGER CUBS Act**

**Sponsor:** Rep. Larsen, Rick [D-WA-2] (Introduced 02/07/2017) **Cosponsors:** (5, now 8)

**Committees:** House - Appropriations, Budget.

Status Update: no change since the last report.

S.846 — 115th Congress (2017-2018)

**SAFE Bridges Act of 2017**

**Sponsor:** Sen. Shaheen, Jeanne [D-NH] (Introduced 04/05/2017) **Cosponsors:** (4)

**Committees:** Senate - Environment and Public Works

Status Update: no change since the last report.

H.R.1670 — 115th Congress (2017-2018)

**Infrastructure 2.0 Act**

**Sponsor:** Rep. Delaney, John K. [D-MD-6] (Introduced 03/22/2017) **Cosponsors:** (21)

**Committees:** House - Ways and Means, Transportation and Infrastructure, Rules

Status Update: no change since the last report.

H.R.1669 — 115th Congress (2017-2018)

**Partnership to Build America Act of 2017**

**Sponsor:** Rep. Delaney, John K. [D-MD-6] (Introduced 03/22/2017) **Cosponsors:** (23, now 27)

**Committees:** House - Transportation and Infrastructure, Ways and Means

Status Update: no change since the last report.

S.1756 — 115th Congress (2017-2018)

**Rebuild America Now Act**

**Sponsor:** Sen. Sullivan, Dan [R-AK] (Introduced 08/03/2017) **Cosponsors:** (11)

**Committees:** Senate - Environment and Public Works

Status Update: no change since the last report.