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June 2018 Insights

Infrastructure: The Status

On May 29, Key Advocates met with the staffs, separate Rep and Dem meetings, of the House Committee on Transportation and Infrastructure and the Senate Environment and Public Works Committees as a follow-up to the recent report 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. And Committee Ranking Democrat DeFazio said that, while he and Shuster are "having some discussions, they are "talking about potential funding and then presumably policy. Learned in the follow-up staff meetings was that internal committee discussions are in early stages although EPW seems to be ahead of T&I given Chairman Barasso's introduction of a highway infrastructure bill (which was quickly rejected by both Reps and Dems on the Committee) and the Committee Dems infrastructure funding proposal in response to the bill; the focus is multimodal in scope; reauthorization of the SRF's is "on the table;" timing is sometime this year although maybe not to completion; and, stakeholder input will be sought.

WRDA 2016 Reauthorization

On May 22, the House Transportation and Infrastructure reported its version of the the 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 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 23, the Senate Environment and Public Works Committee reported its version of the bill - S. 2809, "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. EPW reported bill was approved on a bipartisan vote.

FY 19 Appropriations Process

The Coalition supports, at a minimum, the FY18 levels for both SRF's. However, with an ask of \$4B for the Clean water SRF and \$2B for the Safe Drinking Water SRF, the hope is that with the increase in the budget caps for FY19, funding for the SRF's will be above the FY18 levels. As of now, Congress is going through the appropriation process, having hearings and markups. Being that this is an election year, it seems unrealistic that Congress will pass all 12 Appropriation bills prior to the end of the fiscal year. Most likely we'll see a Continuing Resolution – with possible extensions following the elections.

FY19 House Transportation Appropriations Bill

On May 23, the House Appropriations Committee approved its version of the FY19 DOT funding bill will vote on the bill next Wednesday, May 23 and the Senate Appropriations Committee is expected to act on its version of the bill sometime the week of June 4. 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 FY18 DOT appropriations bill, which was signed into law on March 23, significantly increased funding for many DOT programs, particularly TIGER (now BUILD), Amtrak, and transit and rail discretionary grants. The House FY19 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. It is likely that the Senate version of the appropriations bill will provide additional funding for TIGER.

FY19 Interior Appropriations Bill (the SRF's)

No action to date.

President's FY19 Budget: Clean Water and Safe Drinking Water SRF's

The Budget proposes \$997M for the Clean Water SRF and \$863M for the Safe Drinking Water SRF.

FY18 "Water" Funding

To review, \$1,693,887,000 for the Clean Water SRF and \$1,163,233,000 for the Safe Drinking Water SRF; \$6B in new lending under the WIFIA program; and funding for water programs authorized in the WINN Act to support testing for lead contamination schools and child care centers (\$20M), lead reduction projects in rural areas (\$20M), and water projects in communities working to improve compliance with the Safe Drinking Water Act (\$10M).

SRF WIN Bills

While of interest to the Coalition, there is concern as to what would be the impact of this new program on the current SRF programs, and how attractive would it be since the loans are tied to the prevailing Treasury rate which is not as appealing at the current SRF rates.

The bills are S. 2364 and H.R. 4902 and are included herein because they have bipartisan co-sponsorship support., The Senate bill 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). The House bill 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 House bill since the last report.

New Bills

Of note are H.R. 5596 introduced on April 24 by Congressmen Salud Carbajal (d-CA-24) and Tom Reed (R-NY-23) and H.R. 5609 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. The bill has 36 cosponsors – all Dems.

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. Committee staff have had a couple meetings with McNerney’s office but discussions are still in the early stages.

Earmarks

As a result of the recent House 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 planning to do so.

To review, on Jan. 17-18, the House Rules Committee held hearings on earmarks. The formal title of the hearings was “Article 1: Effective Oversight and the Power of the Purse.” Members of Congress were the witnesses for day one of the hearings. Over 25 testified and the support was overwhelming by both Republicans and Democrats for return of some form of earmarks. Day two included “outside” witnesses who testified both for and against bringing earmarks back.

Bill Tracking

Note the format per the change in format by the Congress for the listing of bills. More information on each bill will be provided when it becomes available on the official site. Note: summary of subject matter will only appear once. Note further: “Latest Action” will only be included when substantive: hearing, markup, Floor action, etc.

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 85)

Committees: House - Energy and Commerce, Transportation and Infrastructure, Financial Services, Ways and Means

Status Update: 4 cosponsors 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: 1 cosponsor added 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: 1 cosponsor since the last report.