



CLEAN WATER CONSTRUCTION COALITION

May 1, 2013 Report

President's Federal Fiscal Year 2014 Budget

The Obama Administration released its proposed Budget for federal FY 2014. The President's targeted funding for the Clean Water SRF and the Drinking Water SRF are significantly lower than the federal FY 2013 enacted levels. The Obama Administration is proposing \$1.095 billion for the Clean Water Program and \$817 million for the Drinking Water Program. As the Clean Water Construction Coalition has done in the past few years, our efforts will focus on the Congress and specifically the Senate Appropriations Committee where the Coalition continues to succeed in having the funding increased for the two SRF programs.

Attached with this notice is a detailed report from Federal Advocates.

House Transportation & Infrastructure Committee Chairman Bill Shuster

Will Address Coalition Members During the Coalition's D.C. Fly-In Reception

Congressman Bill Shuster (R-Pa), Chairman of the House Transportation and Infrastructure Committee is confirmed as the Coalition's speaker for our June 5, 2013 reception to be held at 12:00 noon at the Cannon House Office Building. Chairman Shuster has stated that after Congress completes its work on the Water Resources Development Act (WRDA), his Committee will begin to work on the clean water and drinking water reauthorization bills. It is **imperative** that **Coalition members attend** this reception in order to urge Chairman Shuster to establish a permanent mechanism to **robustly fund** the nation's Clean Water and Drinking Water programs and to complete the Committee's work in a timely manner!

Washington, D.C. Coalition Meeting and Reception

Please note the arrangements for our Washington, D.C. events scheduled for Wednesday, June 5, 2013:

- Breakfast Working Meeting 8:00am – 9:30am
Hyatt Regency Washington on Capitol Hill Room to be determined
400 New Jersey Avenue, NW
- Coalition Reception 12:00 Noon
Cannon Building HOB 121

To reserve your room at the Hyatt Regency Washington on Capitol Hill, call 1-800-233-1234 and mention the ARTBA Federal Issues Program to obtain the group rate of \$309.00 per night. **Please call by May 2, 2013** in order to receive the group rate.



Federal Advocates Inc.

1701 Pennsylvania Avenue
Suite 300
Washington, DC 20006
Phone: (202) 351-6855
Fax: (202) 351-6855
www.federaladvocates.com

Sante Esposito's April, 2013 Insights

FY14 President's Budget and Appropriations

Included in the President's FY14 Budget is \$1.095B for the Clean Water SRF and \$817M for the Safe Drinking Water SRF. Of the funds requested for the CWSRF, not less than 20% are specified for green infrastructure projects. Of the funds requested for the SDWSRF, not less than 10% are specified for green infrastructure projects, water or energy efficiency improvements, or other environmentally innovative activities. From both SRF's, up to 5% are specified for various section grants and between 20-30% to be used for forgiveness subsidy. In all, the funding levels proposed for both programs in the President's Budget are woefully low, significantly lower than his FY13 Budget and the Fy13 enacted levels. Accordingly, our advocacy efforts continue to focus on the Congress and primarily the Senate Appropriators. Both Appropriations Committees have begun hearings on the FY14 bills. We will monitor the process.

Clean Water/Safe Drinking Water Reauthorization Bill

To review, staff of both the Senate Environment and Public Works Committee and the House Committee on Transportation and Infrastructure advised us that after enactment of the Water Resources Development Act (WRDA) reauthorization bill, the Committees would then turn their attention to clean water and safe drinking water reauthorization efforts. We believe that WRDA will be enacted sometime this year.

Water Resources and Development Act (WRDA)

On April 22, the Senate Committee on Environment and Public Works filed the report (113-13) to accompany S.601, its version of the Water Resources Development Act of 2013. That action singles that the Committee is one step closer to bringing the bill to the Floor. One problem that has surfaced with respect to the legislation is the budget scoring of the WIFIA title by the Congressional Budget Office (CBO). CBO estimates that WIFIA will have a negative \$200M impact on Federal spending which is not offset in the bill and thus a violation of Senate parliamentary rules. They attribute the offset to the assumption that some of the projects which WIFIA would fund via loans will be repaid by state and local tax exempt bonds, the net effect of which would result in less revenue coming into the Treasury. The Committee is working on

various solutions to this problem. To review, the bill authorizes funding for 18 various Corps of Engineers projects that have received favorable Chief's reports (note: neither the bill or its accompanying report list the projects; trying to get them from the Corps of Engineers), including the following: storm damage, flood control, hydroelectric facilities, navigation facilities, reservoirs, dams, levees, flood and hurricane storm damage beach nourishment, natural disasters, and harbor maintenance. It also includes various Corps program and procedural reforms.

Of specific note for the Coalition is the WIFIA title of the bill. That title provides loans and loan guarantees to various eligible entities to carry out specified eligible projects including clean water and safe drinking water projects. The bill authorizes \$50M for each of FY14-18. However, since it is a loan program the \$50M would support funding \$500M in projects each year for a total of \$2.5B over the life of the bill. This estimate is based on a similar highway program after which this is modeled where for every \$1 (one dollar) appropriated to the program \$10 can be lent out. The loan approach supports significant leveraging of appropriated dollars. WIFIA is seen as a supplement to support the traditional annual general fund appropriations for the Clean Water and Safe Drinking Water SRF's. On behalf of the Coalition we have been advocating in support of a WIFIA program since it first surfaced as a possibility last Congress. As noted previously, it is modeled after a similar Federal highway loan program .

On the House side, reauthorization hearings continue. No draft has surfaced. The House is waiting on Senate action on its bill. The expectation is that it will act a few months thereafter.

Legislation of Interest

As reported in previous monthly reports, we will continue to monitor bills of interest to the Coalition were monitored. Below are the bills that were being tracked on behalf of the Coalition at the end of the last Congress. To date, neither has been reintroduced.

PASCRELL H.R. 1802 - Sustainable Water Investment Act of 2011

MENENDEZ S.939 - Sustainable Water Investment Act of 2011

Of interest, however, are the following two bills:

MERKLEY S.335 – the Water Infrastructure Finance and Innovation Act of 2013. The bill, introduced on February 14, has one cosponsor. It was referred to the Senate Environment and Public Works Committee (EPW). It authorizes the Administrator of the FEMA to make a direct loan, including a subordinated loan or a loan guarantee to an eligible entity to carry out various water projects. Merkley is a member of EPW and the WIFIA issue was addressed/included in the Committee's WRDA bill.

CAPPS H.R. 765 - the Water Infrastructure Resiliency and Sustainability Act of 2013. The bill, introduced on February 15, has no cosponsors and was referred to the Subcommittee on Water and Power of the House Natural Resources Committee. It requires the Administrator of the EPA to establish the Water Resiliency and Sustainability Programs to provide grants to owners or operators of water systems for programs or projects to increase the resiliency or adaptability of the systems to any ongoing or forecasted changes to the hydrologic conditions of a U.S. region.

Budget Resolution

On March 29, the House passed its version of the FY14 Budget Resolution. To date, the Senate has not. To review, budget resolutions provide overall funding levels for the next 5 fiscal years by major budget categories. Not specific program levels. The entire Federal budget consists of 13 major program categories such as Transportation, Defense, Education, etc. The budget resolution assumes a total funding level for each category and that total amount offset by a total revenue amount results in the deficit or surplus figure for the government. Budget resolutions DO NOT provide funding amounts for specific programs like clean water or safe drinking water. Funding for those programs are assumed, but not specifically identified, in the budget category "Natural Resources and Environment". Budget resolutions DO NOT have the force and effect of law. Each House adopts its own resolution and the differences between the two must be reconciled but beyond that the final budget resolution DOES NOT go to the President for signature. It's basically a disciplinary tool used by the Congress to impose upon itself limits on subsequent appropriations bills to ensure compliance with the budget. For the major category of the "Environment" which includes the two SRF's, the Senate Budget Resolution assumes \$40B while the House assumes \$33B. Again, we are focusing our efforts in support of the Senate.