



**American Water Works  
Association**

**Government Affairs Office**  
1300 Eye St. NW  
Suite 701W  
Washington, DC 20005-2149  
T 202.628.8303  
F 202.628.2846

**Headquarters Office**  
6666 West Quincy Avenue  
Denver, CO 80235-3098  
T 303.794.7711  
F 303.347.0804  
www.awwa.org

The Authoritative Resource on Safe Water<sup>SM</sup>

---

---

## *Washington D.C. Report*

---

---

**December 16, 2009**

### **House Set to Pass Jobs Bill with Funding for Water Infrastructure**

Today the House of Representatives is expected to pass a \$150 billion jobs bill that would provide \$1 billion for the drinking water state revolving loan fund (SRF) program and \$1 billion for the wastewater SRF program. These funds would not be subject to state matching cost-share requirements as in the typical annual appropriations legislation, but the U.S. Environmental Protection Agency (EPA) would be able to reallocate funds from one state to another if projects are not under contract for construction within eight months of enactment.

Assuming the House approves it today, the bill will be sent immediately to the Senate, but it is unlikely that body will deal with the bill, H.R. 2847, until early in 2010 and after it finishes action on health care reform. Some Congressional leaders have expressed a hope that the jobs measure could be signed into law by the time of the President's State of the Union address in late January.

Water infrastructure is only a small part of H.R. 2847. The bill also includes \$37 billion for transportation infrastructure, \$27 billion to prevent public sector employees from being laid off, \$4 billion for school renovations, \$2 billion for energy projects, \$41 billion for extension of unemployment and health insurance benefits, and \$23.5 billion for an extension of federal support for state Medicaid programs.

Other features of H.R. 2847:

- Priority would be given to projects on state priority lists that are ready to proceed to construction within 12 months;
- At least 20 percent of the funds would have to be used for "green infrastructure" to the extent that there are sufficient eligible project applications of this nature;
- Each state would have to use at least 50 percent of these capitalization funds to provide additional subsidization, such as principal forgiveness, negative-interest loans, grants, or a combination of these;
- Davis-Bacon prevailing wage requirements and Buy American requirements would apply;
- \$30 million would go to water-related environmental infrastructure projects conducted by the Corps of Engineers on the Mississippi River or its tributaries; and
- \$100 million would go to the Bureau of Reclamation for water-related projects, with \$26 million designated for the Central Valley Project in California, \$30 million for the CalFed Bay-Delta Project in California.

## **Congressional Forecast for 2010**

Congressional wrangling over health care, which has dominated Washington for months, has complicated a number of other issues that concern the water community. With health care tying up key members of Congress and taking weeks of time on the floor of both chambers, a number of tough issues that Congressional leaders had hoped to wrap up in Congress's first session have been pushed into 2010. Conceivably, some issues that were expected to be resolved in 2010 could slip past the 2010 mid-term elections and into the 112<sup>th</sup> Congress that convenes in January of 2011.

House leaders hope to conclude their business for the year today by sending to the floor – and thence to the Senate – a number of measures, including the jobs / stimulus bill described above; the last of the FY2010 appropriations bills (a \$626 billion Defense Department spending measure); and a temporary increase to the nation's statutory debt ceiling. All but the DoD spending bill are politically complicated, with Republicans fighting Democrats and Democrats fighting among themselves.

Faced with little time and much disagreement, some important and controversial issues originally slated for action in 2009 are being pushed over into next year. That list includes the highway funding bill (the Highway Trust Fund being essentially insolvent); global climate change / energy legislation; reauthorization of the USA Patriot Act; and a "permanent" (that is, until next time) increase in the statutory debt ceiling from \$12.1 to \$13.9 trillion (yes, that's with a 't'). You can add to this list the possibility that it will take some time to reconcile differences between the House and Senate health care bills, a vote on President Obama's proposed Afghanistan troop surge, and other issues.

Of course, with 2010 being an election year, the last thing many lawmakers want to do next year is cast votes on a lot of controversial issues. This makes it especially difficult to predict when something like comprehensive chemical security legislation might pass, and increases the prospect that it might not pass at all but that instead Congress would simply approve another one-year extension of the existing program for chemical plants. The existing program does not cover water and wastewater utilities.

At the same time, the deficit is heating up as a significant political issue. President Obama has recently said that as soon as the economy recovers, the federal government will have to focus on controlling spending. A big fight is predicted over extending the statutory debt limit mentioned above. Although a debt limit extension must pass, a few key members in both parties are beginning to insist that strong measures be taken now to change the glide path of federal spending. The bipartisan and well respected Peterson-Pew Commission on Budget Reform released a report this week indicating that under business as usual assumptions the United States will "almost certainly experience a debt driven crisis" within the next decade or so – something that was previously viewed in the context of other countries but has been seen as almost unfathomable for the United States.

If Congress gets serious about controlling federal spending, it will greatly complicate efforts to pass new water infrastructure funding measures, including significant increases in SRF funding, a trust fund (which AWWA does not support) or a water infrastructure bank (which we do support).

All in all, the coming session of Congress promises to be difficult, exciting, and eventful.

As always, please contact your AWWA Washington Office if you have questions or comments.