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End Game on Economic Measures Promises Fireworks

Late Thursday, House Speaker John Boehner (R-OH) announced the House will vote to move a [“three-pack”](#) of legislative measures that would extend the current 4.2 percent payroll-tax rate for one year, extend jobless benefits up to 99 weeks, and block a scheduled 27 percent cut in Medicare physician reimbursements. This plan set the table for a battle with Senate Democrats by adding poison pills related to industrial emissions (boiler MACT) and expedited approval of the Keystone oil export pipeline.

Senate Majority Leader Harry Reid (D-NV) stated his focus is to expand cuts to the worker payroll tax and enact a surtax on annual income exceeding \$1 million to pay for it. In a statement about the issue, Reid said the “House Republicans’ bill is a partisan joke that has no chance of passing the Senate, but middle-class families facing a thousand-dollar tax hike on January 1st are not laughing. Instead of playing political games, Congress should work to find common ground. In the days ahead, I intend to do exactly that.” Senators Claire McCaskill (D-MO) and Susan Collins (D-ME) are proposing to use revenues from reduced oil companies’ tax breaks and a millionaire’s surtax to pay for extending and expanding last year’s payroll tax reduction. Their plan would also make an additional \$35 billion available for infrastructure projects, including \$10 billion for state-revolving fund water projects.

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Troublemakers Getting Kicked Off the Bus?

With the December 6 expiration date of the current continuing resolution (CR) rapidly approaching, optimism for a catchall \$900 billion end-of-session spending bill is fading. While appropriators have negotiated most of the outstanding policy issues, several controversial Republican policy riders remain on the Interior, Environment, and Related Agencies bill; and Labor, Health and Human Services, Education, and Related Agencies bill. These include amendments that would bar the use of funds for carrying out the new health care law and to block the Environmental Protection Agency from promulgating new air pollution rules. If they are unable to resolve these differences, appropriations staff has hinted that the remaining spending bills may have to be dealt with in a separate continuing resolution extending funding for federal agencies into February 2012.

In order to move an appropriations package, an agreement on a fiscal year 2012 omnibus spending measure must be filed by December 12. If this first hurdle is missed, then Congress may remain at work until Christmas Eve. Last month, Congress passed the Commerce/Justice/Science, Transportation/HUD, and Agriculture bills as a "minibus" package.

Senate Committee Reviews National and International Consequences of Water Reliability

The Senate Committee on Energy and Natural Resources Subcommittee on Water and Power convened a [hearing](#) on the national and international value of a reliable supply of water and what must be done to ensure safe and reliable supplies. The hearing heard from federal officials drawn from the Departments of State, Army, and Interior. Following this panel, a panel of local agency, industry and nonprofit officials testified on the issues challenging the nation in its effort to address water supply needs.

In citing the importance of water, the Army noted that its net zero program at installations was the key initiative to reduce water consumption. Citing the fact that water deliveries and use represented one of the largest demands on convoys in the field, the ability to reuse water at facilities reduced the risks to troops from the transport of water supplies. The Army went on to

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note that one of its key challenges is to improve the use of recycled water supplies. The Department of Interior noted that it continued to champion the use of recycled water supplies, citing its WaterSmart program that has provided millions of dollars in funding to advance technology and promote innovations that can bring down the costs associated with producing water. And the State Department highlighted the fact that the lack of reliable water supplies throughout the world posed a serious threat to security because of strife induced from the lack of water for agriculture and hygiene.

On the domestic front, Peter Gleick of the Pacific Institute chronicled some of the top concerns. He cited the lack of adequate data on water consumption and uses, the need for a national water census, a need to review the pricing of water, and the need to address climate change impacts on water supply and infrastructure. He also noted that modern technology could reduce the demand on water supplies in energy production. Turning attention to the water challenges in the west, witnesses noted the importance of ensuring water supplies for agriculture, but suggested that any programs to promote water reliability must be locally developed. The idea of a national directive was discounted with the exception of the role that federal assistance could provide in bolstering water infrastructure. Spotlighting the distinctions between the west and east, public agencies from Florida and New Hampshire cited that the challenges their communities face is not so much scarcity, but rather demands from growing populations, ecosystem needs and impacts from climate change. These officials suggested that enhanced coordination among federal agencies should occur to support addressing these challenges. In response to subcommittee questions about a national water policy, the witnesses suggested that there is a de facto policy given the numerous federal programs. But citing the new challenges in water resources management, witnesses suggested that the Clean Water and Safe Drinking Water Acts needed to be updated to reflect such challenges. Adding to this point, witnesses urged that any water policies avoid a “top down” command and control approach and allow local policymakers to determine the best way to address local water supply challenges.

On the matter of technology, each of the witnesses endorsed the value of improved commitments to technology assistance and research and development. They cited the fact that advances in technology applications allow for citizens to gain a better understanding of the role that alternative water supplies can play. Additionally, the ability to promote collaborations among the

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federal agencies and not-for-profit organizations can serve to improve the ability to enhance the development and delivery of alternative water supply many of the witnesses testified.

Closing the hearing, Chairwoman Jeanne Shaheen (D-NH) noted that the water supply issues facing the nation would continue to be explored.

Senate Continues to Move Forward on Transportation Reauthorization

On December 14, the Senate Committee on Commerce/Science has scheduled a mark-up of provisions of the surface transportation reauthorization bill within the committee's jurisdiction that includes carrier safety programs and other provisions. The Senate Committee on Banking is also expected to hold a mark-up next week a bill that addresses mass transit provisions. Last month, the Senate Committee on Environment and Public Works unanimously approved the bipartisan two-year Moving Ahead for Progress in the 21st Century ([MAP-21](#)) bill.

This week, several Republican members of the Senate Committee Finance sent a [letter](#) to Committee Chairman Max Baucus (D-MT) with their recommendations for filling a \$12 billion gap anticipated in the next surface transportation authorization bill. The letter offered the following potential sources of funding: reclaiming \$3.5 billion from the Advanced Technology Manufacturing Loan Program; transferring up to \$3 billion from the Underground Storage Tank Trust Fund; reclaiming \$250 million per year from the Land and Water Conservation Fund; expanding oil and gas exploration in Alaska and the Outer Continental Shelf to raise up to \$5.2 billion; and make up the balance by reclaiming unspent federal funds. Chairman Baucus

In the House, Committee Transportation and Infrastructure Chairman John Mica (R-FL) confirmed that the House will be unable to move a bill before the end of the year. In a minor revolt, Representatives John Carney (D-Del) and Aaron Schock (R-Ill.) sent a [letter](#) to President Obama on behalf of 111 House members (62 Democrats and 49 Republicans), urging support for a robust, six-year bill. The letter states, "Short-term extensions fail to recognize that meaningful, large-scale transportation projects take years to plan, approve and implement." The current short-term extension of federal surface transportation programs expires in March 2012.

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Buy America Legislation Introduced

Representative Rahall (D-WV) introduced the Invest in America Jobs Act of 2011 ([H.R. 3533](#)) to ensure that transportation and infrastructure projects carried out using Federal financial assistance are constructed with steel, iron, and manufactured goods that are produced in the United States, and for other purposes.

Senate to Hold Hearing on Water Infrastructure

On December 13, the Senate Committee on Environment and Public Works, Subcommittee on Water and Wildlife will hold a [hearing](#) on “Our Nation's Water Infrastructure: Challenges and Opportunities.” According to committee staff, the hearing is being held in preparation for additional hearings and a legislative initiative next year. Scheduled to testify at the hearing are: James A. Hanlon, Director, Office of Wastewater Management, U.S. Environmental Protection Agency; Gregory DiLoreto, President-Elect, American Society of Civil Engineers; Mr. Joe Freeman, Chief, Financial Assistance Division, State of Oklahoma Water Resources Board; Mr. Theodore E. Scott, Executive Vice President and Founder, Stormwater Maintenance and Mr. Van L. Richey, President & Chief Executive Officer, American Cast Iron Pipe Company.

House Schedules Hearing on Water Quality Permitting Process

On December 14, the House Committee on Transportation and Infrastructure is holding a [hearing](#) entitled, “Subcommittee on Water Resources and Environment Integrated Planning and Permitting: An Opportunity for EPA to Provide Communities with Flexibility to Make Smart Investments in Water Quality.” The hearing will feature testimony from leading national public water organizations, local government and environmental organizations.

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WaterSMART Title XVI Water Reclamation and Reuse Feasibility Studies Funding Now Available

A WaterSMART Title XVI Water Reclamation and Reuse Feasibility Studies funding opportunity is now available for non-federal government entities, Indian tribes, water districts, wastewater districts or rural water districts in the 17 western states. Proposals for the development of new feasibility studies for Title XVI projects must be submitted as indicated on www.grants.gov by Feb. 13, 2012, 4:00 p.m. Mountain Standard Time. It is anticipated that awards will be made this spring. Reclamation will fund up to \$150,000 per applicant and studies must be completed by March 2014. Applicants must provide at least 50 percent non-federal cost-shared funding for the feasibility study.

In 2011, Reclamation provided \$3.3 million in funding for 21 studies in California, Oklahoma and Texas through the WaterSMART and CALFED programs. This year, about \$1 million in WaterSMART funding is expected to be available for development of additional Title XVI feasibility studies. The Title XVI Water Reclamation and Reuse Program focuses on identifying and investigating opportunities to reclaim and reuse wastewater and naturally impaired ground and surface water in the 17 Western States and Hawaii.

Hearings

Senate

Date: December 13, Time: 10:00 a.m.

Committee: Environment & Public Works

Hearing: Our Nation's Water Infrastructure: Challenges and Opportunities

House

Date: December 14, Time: 10:00 a.m.

Committee: Transportation & Infrastructure

Hearing: Integrated Planning and Permitting: An Opportunity for EPA to Provide Communities with Flexibility to Make Smart Investments in Water Quality

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