



WASHINGTON UPDATE

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Congress does not return to session after its summer recess until next week after Labor Day, but September 1 seems like a good point in time to provide an update on the status of the various infrastructure-related bills.

COVID-19 Related Legislation

CARES Act - Congress passed the \$1 trillion CARES Act COVID-19 relief bill and it was signed into law in late March. The infrastructure-related funding in the bill is for emergency relief and is primarily to be used to make-up for lost revenue and to pay for COVID- 19 related operations and maintenance expenses. While the funding could potentially be used by recipients for capital projects, it is unlikely given the huge needs and continuing pandemic. The CARES Act included the following infrastructure-related funding:

State DOTs - \$0
Transit agencies - \$25 billion
Airports - \$10 billion
Amtrak - \$1 billion
Funding for state and local governments - \$150 billion

HEROES/HEALS Acts - The House passed the HEROES Act in mid-May. It is a massive \$3+ trillion emergency relief bill – essentially a CARES Act 2. The Senate floated a companion version of the HEROES Act, called the HEALS Act, but it is a much smaller bill with very limited funding for infrastructure. The Senate started informal negotiations with the White House and House Democrats to find some common ground, but talks broke off in early August over cost, funding priorities, the size of the deficit, etc. There has been little movement in recent weeks and it is currently unclear how or when the legislation will proceed despite the needs growing every day.

The House HEROES Act includes the following infrastructure-related funding:

State DOTs - \$15 billion – AASHTO has requested \$37 billion
Transit - \$15.75 billion – APTA has requested between \$32 billion and \$36 billion in addition to the \$25 billion they received in the CARES Act
Amtrak - \$0 – Amtrak has requested \$1.6 billion - this funding may be included in separate legislation
Funding for State and local governments – close to \$ 1 trillion



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The only infrastructure funding in the pending Senate HEALS Act is \$10 billion for airports. There is no funding for any other infrastructure programs or for state and local governments. This appears to be a negotiating tactic by Senate Majority Leader Mitch McConnell who is expected to support some level of infrastructure funding in the final bill in return for concessions from the House.

FAST Act Reauthorization

The FAST Act authorizes multi-year federal funding for surface transportation, including highways, transit and rail. It is set to expire on September 30. The House has passed a large, five-year reauthorization bill, the INVEST Act, as part of an even larger infrastructure bill, the Moving America Forward Act (HR 2). HR 2 includes funding for water, broadband, electric grid, hospitals construction, etc. The Senate Environment & Public Works Committee passed a highway-only reauthorization bill in July of 2019, but the Senate has not yet introduced transit, rail or other, broader infrastructure authorization bills.

With the lack of action in the Senate and the looming expiration of the FAST Act, it is now expected that Congress will pass an extension of the existing FAST Act – likely for 12 months through the end of FY'21. While this is very disappointing, it is not unusual – most previous surface transportation reauthorization bills have required one or more (sometimes many more) extensions. The extension will likely provide the same level of funding as in the final year of the FAST Act, but there are efforts underway to try to increase the funding levels if the needed revenue can be identified.

Potential Stimulus Legislation

There has been a lot of talk about a potential stimulus bill that would include funding for infrastructure capital investments in an effort to kick-start the economy, but to date the focus remains on COVID-19 related emergency relief. Given the amount of time it is taking Congress to pass the HEROES/HEALS Act and the looming November elections (Congress is expected to adjourn as of October 1), it appears unlikely that Congress will pass a true stimulus bill with funding for capital investment this year.

It is possible that Congress will do a stimulus/investment bill next year after the elections. President Trump has been very supportive of a large infrastructure bill and could use it to kick-off his second term, however, he has not been able to get such a bill passed during his first four years, even with a Republican-led Senate. Democratic nominee Joe Biden is a big



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supporter of infrastructure (particularly rail) and could include passage of a stimulus bill as part of his initial legislative agenda.

FY'21 Appropriations

The new fiscal year – FY'21 – begins in a few short weeks on October 1. While the House has passed all but two of the 12 annual federal agency spending bills, the Senate has not yet introduced any of its companion bills. Therefore, Congress will likely opt to pass a short-term Continuing Resolution (CR) to avoid a government shut-down. Right now, it appears a CR would extend funding through mid-November (after the election) or into mid-December. It will likely be a “clean” CR meaning it will not include any new policy provisions or additional funding. It is possible that a one-year FAST Act extension could be attached to the “must-pass” CR or vis versa.

Corps of Engineers' Water Resources Development Act (WRDA)

The full House voted to pass the biennial water resources bill on July 29. The bill authorizes funding for Corps' of Engineers water and navigation projects for two years. The Senate version of the bill has been approved by the Senate Environment & Public Works Committee and will hopefully be voted on by the full Senate in September. While the House and Senate bills have their differences, there is strong bi-partisan support for the bill. It is one piece of legislation that is expected to pass Congress and be signed into law before Congress adjourns for the elections.

Great American Outdoors Act

In late July, Congress passed, and the President signed into law, the Great American Outdoors Act (H.R. 1957) which provides permanent, full funding for the Land and Water Conservation Fund (LWCF) at \$900M per year and establishes the National Parks and Public Land Legacy Restoration Fund. The new law, which had broad bipartisan support, will invest significant funding in national parks and public lands and support various conservation activities. The National Parks Service will receive \$1.3 billion per year from the Restoration Fund to address billions in deferred maintenance, the impacts of climate change, and to upgrade transportation assets. Here is a [link](#) to a Fact Sheet about the new law.

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