U.S. House of Representatives
Committee on Transportation and Infrastructure

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H.R. 1262, the Water Quality Investment Act

Dear Republican Colleague:

On Thursday of this week the House will consider H.R. 1262, the Water Quality Investment Act of 2009. H.R. 1262 is a compilation of the following five Clean Water Act bills that passed the House in the 110th Congress:

H.R. 700 (McNerney) - Reauthorizes appropriations of $250 million over five years for EPA to make grants for alternative water source projects such as wastewater reuse projects. Passed the House 368-59 on March 8, 2007.

H.R. 569 (Pascrell) - Reauthorizes $1.8 billion over five years for EPA grants to states and municipalities for controlling combined sewer overflows and sanitary sewer overflows. Passed the House 367-58 on March 7, 2007.

H.R. 2452 (T. Bishop) - requires that communities monitor for potential overflows or leaks in their sewer systems and to notify the public whenever a release would threaten public health and safety. Use of the State Revolving Loan Funds for this purpose is authorized. Passed by voice vote on June 23, 2008.

H.R. 6460 (Ehlers) - Reauthorizes the Great Lakes Legacy Act by requiring EPA to carry out sediment remediation projects in the Great Lakes currently authorized until 2010. Passed the House by 371-20 on September 18, 2008 and became PL 110-365. H.R. 1262 raises the authorization level to $150 million per year for five years.

H.R. 720 (Oberstar) – Reauthorizes the State Revolving Loan Funds and provides $13.8 billion over five-years in federal assistance to further capitalize these funds that provide low-interest loans to communities for wastewater management projects. **HOWEVER**, it expands the application of Davis-Bacon wage rates to all projects paid for in whole or in part by a State Revolving Loan Fund, including non-federal money in a Fund, such as loan repayments, state contributions, and interest. Passed the House 303-108 on March 9, 2007.

Republican Members may wish to independently assess their position on the application and expansion of the Davis-Bacon wage rates and vote according. I intend to vote against the bill on final passage if the Davis-Bacon provision remains.

Sincerely,

John L. Mica
Ranking Republican Member

H.R. 1262, the Water Quality Investment Act

Minority Views

The reauthorization of the Clean Water State Revolving Loan Fund (SRF) Program is an important step towards addressing the needs of our critical and aging wastewater infrastructure. We welcome the environmental improvements that many provisions in this bill would bring. However, while H.R. 1262 represents an important step forward for clean water in many respects, it also takes a significant step backwards by mandating and expanding upon the past application of the Davis-Bacon Act's prevailing wage requirements in the SRF program.

This new expansion of Davis-Bacon requirements would inflate the cost of clean water projects across our nation and ultimately result in fewer projects being built, fewer jobs being created, and less clean water being achieved. By adding to the cost of public construction, the Davis-Bacon Act disproportionately impacts small, rural, and disadvantaged communities, which can least afford to pay the higher cost of projects. The revolving, non-federal component of the State Revolving Funds has operated successfully since 1987 without the onerous application of Davis-Bacon, the effect of which will be further restriction of state and local control.

It has become evident to the Minority on the Committee that the history of the Davis-Bacon Act is in need of clarification. The Act was created in 1931 with discriminatory intent to prevent low paid African Americans from taking jobs from other blue collar workers in New York. Even in recent history, only a few small and minority-owned firms could afford to pay the higher wages that the Davis-Bacon Act requires. As a result, they are disadvantaged by Davis-Bacon contracts, and many of them would not and will not pursue those contracts. Moreover, projects operating under Davis-Bacon requirements cannot hire local, lesser-skilled employees to work on these infrastructure projects, thereby limiting job opportunities for many workers and hindering state and local efforts to provide entry-level jobs.

Since the inception of the SRF, only the initial Federal seed money has been subject to Davis-Bacon prevailing wage requirements. State money, including the state match, loan repayments, interest, and other non-federal funds are not subject to these requirements. There is no precedent for applying the Davis-Bacon Act to state funds within this program.

For these reasons, we oppose the imposition of Davis-Bacon Act prevailing wage requirements on the Clean Water SRF Program.

John L. Mica

John Boozman