Legislative Bulletin.....September 9, 2014

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 $H.R.\ 5078$ — Waters of the United States Regulatory Overreach Protection Act of 2014 (Southerland, R-FL)

H.R. 5078 — Waters of the United States Regulatory Overreach Protection Act of 2014 (Southerland, R-FL)

<u>Order of Business</u>: H.R. 5078 is expected to be considered on September 9, 2014, under a <u>structured rule</u>. The rule provides one hour of general debate and makes three amendments in order (summarized below).

Summary: H.R. 5078 would block the Environmental Protection Agency (EPA) and the Army Corps of Engineers from changing the definition of "waters of the United States" under the Clean Water Act (CWA).

Specifically, the legislation would prohibit the EPA and the Corps from developing, finalizing, adopting, implementing, applying, administering, or enforcing the proposed rule "<u>Definition of</u> '<u>Waters of the United States</u>' <u>Under the Clean Water Act</u>," proposed guidance "Guidance on Identifying Waters Protected By the Clean Water Act," interpretive rule "<u>Notice of Availability Regarding the Exemption from Permitting Under Section 404(f)(1)(A) of the Clean Water Act to Certain Agricultural Conservation Practices," or any substantially similar rules or guidance.</u>

H.R. 5078 would require the EPA and the Corps to consult with state and local officials to develop recommendations for a regulatory proposal to identify waters that are and are not covered by the CWA.

Amendments:

1. <u>DeFazio</u> (D-OR): Substitute amendment that would require the EPA and the Corps to withdraw the proposed rule "<u>Definition of 'Waters of the United States' Under the Clean Water Act</u>" and the "interpretive rule "<u>Notice of Availability Regarding the Exemption from Permitting Under Section 404(f)(1)(A) of the Clean Water Act to Certain Agricultural Conservation Practices.</u>" The EPA and the Corps are required to develop a revised rule defining "waters of the United States," taking into consideration public comments and recommendations from state and local officials, and interested parties. This amendment is meant to replace the underlying legislation with a weaker proposal.

- 2. <u>Bishop</u> (D-NY): Strikes the underlying provision that blocks the proposed rule from the EPA and the Corps and instead prohibits the EPA and Corps from implementing a final rule that:
 - a. Expands the scope of the CWA beyond water bodies covered prior to Supreme Court decisions in 2001 and 2006,
 - b. Is inconsistent with the opinions of Justices Scalia and Kennedy in 2006,
 - c. Increases the regulation of ditches compared to current regulations,
 - d. Eliminates exemptions for agriculture,
 - e. Increases CWA scope with respect to groundwater,
 - f. Requires regulation of erosion features,
 - g. Requires CWA permits for land-use activities,
 - h. Requires CWA regulation of farm ponds, puddles, water on driveways, birdbaths, or playgrounds,
 - i. Is inconsistent with the latest peer reviewed studies, and
 - j. Is promulgated without public notice or comment.
- 3. <u>Bishop</u> (D-NY): Adds a new section that prohibits application of the underlying legislation if the EPA determines that implementation would increase water pollution, increase costs incurred by a state, or cause the impairment of waters of a state.

Additional Background:

The CWA requires permitting for certain activities (including the discharge of pollutants, dredged, or fill material) that take place in "navigable waters."

<u>Section 502(7) of the CWA</u> defines navigable waters as "the waters of the United States, including the territorial seas." The term "waters of the United States" is defined <u>by regulation</u> as:

- (1) All waters which are currently used, or were used in the past, or may be susceptible to use in interstate or foreign commerce, including all waters which are subject to the ebb and flow of the tide;
- (2) All interstate waters including interstate wetlands;
- (3) All other waters such as intrastate lakes, rivers, streams (including intermittent streams), mudflats, sandflats, wetlands, sloughs, prairie potholes, wet meadows, playa lakes, or natural ponds, the use, degradation or destruction of which could affect interstate or foreign commerce including any such waters:
 - (i) Which are or could be used by interstate or foreign travelers for recreational or other purposes; or
 - (ii) From which fish or shellfish are or could be taken and sold in interstate or foreign commerce; or

- (iii) Which are used or could be used for industrial purposes by industries in interstate commerce;
- (4) All impoundments of waters otherwise defined as waters of the United States under this definition;
- (5) Tributaries of waters identified in paragraphs (s)(1) through (4) of this section;
- (6) The territorial sea;
- (7) Wetlands adjacent to waters (other than waters that are themselves wetlands) identified in paragraphs (s)(1) through (6) of this section; waste treatment systems, including treatment ponds or lagoons designed to meet the requirements of CWA (other than cooling ponds as defined in 40 CFR 423.11(m) which also meet the criteria of this definition) are not waters of the United States.

Waters of the United States do not include prior converted cropland. Notwithstanding the determination of an area's status as prior converted cropland by any other federal agency, for the purposes of the Clean Water Act, the final authority regarding Clean Water Act jurisdiction remains with EPA.

In two cases (*Solid Waste Association of Northern Cook County v. United States Corps of Engineers* in 2001 and *Rapanos v. United States* in 2006) the Supreme Court ruled that jurisdiction under the CWA must be limited, although the Court has not agreed on a clear standard for determining jurisdiction. In response to these decisions, the EPA and the Corps under the Bush Administration issued updated regulatory guidance regarding the jurisdiction of the CWA in 2007 and 2008.

In April 2014, the EPA and the Corps published proposed <u>regulations</u> to change the definition of waters of the United States. The proposed <u>definition</u> is:

- (1) All waters which are currently used, were used in the past, or may be susceptible to use in interstate or foreign commerce, including all waters which are subject to the ebb and flow of the tide;
- (2) All interstate waters, including interstate wetlands;
- (3) The territorial seas;
- (4) All impoundments of waters identified in paragraphs (s)(1) through (3) and (5) of this section;
- (5) All tributaries of waters identified in paragraphs (s)(1) through (4) of this section;
- (6) All waters, including wetlands, adjacent to a water identified in paragraphs (s)(1) through (5) of this section; and

- (7) On a case-specific basis, other waters, including wetlands, provided that those waters alone, or in combination with other similarly situated waters, including wetlands, located in the same region, have a significant nexus to a water identified in paragraphs (s)(1) through (3) of this section.
- (t) The following are not "waters of the United States" notwithstanding whether they meet the terms of paragraphs (s)(1) through (7) of this section—
- (1) Waste treatment systems, including treatment ponds or lagoons, designed to meet the requirements of the Clean Water Act.
- (2) Prior converted cropland. Notwithstanding the determination of an area's status as prior converted cropland by any other Federal agency, for the purposes of the Clean Water Act the final authority regarding Clean Water Act jurisdiction remains with EPA.
- (3) Ditches that are excavated wholly in uplands, drain only uplands, and have less than perennial flow.
- (4) Ditches that do not contribute flow, either directly or through another water, to a water identified in paragraphs (s)(1) through (4) of this section.
- (5) The following features:
 - (i) Artificially irrigated areas that would revert to upland should application of irrigation water to that area cease;
 - (ii) Artificial lakes or ponds created by excavating and/or diking dry land and used exclusively for such purposes as stock watering, irrigation, settling basins, or rice growing;
 - (iii) Artificial reflecting pools or swimming pools created by excavating and/or diking dry land;
 - (iv) Small ornamental waters created by excavating and/or diking dry land for primarily aesthetic reasons;
 - (v) Water-filled depressions created incidental to construction activity;
 - (vi) Groundwater, including groundwater drained through subsurface drainage systems; and
 - (vii) Gullies and rills and non-wetland swales.
- (u) Definitions—

- (1) Adjacent. The term adjacent means bordering, contiguous or neighboring. Waters, including wetlands, separated from other waters of the United States by man-made dikes or barriers, natural river berms, beach dunes and the like are "adjacent waters."
- (2) Neighboring. The term neighboring, for purposes of the term "adjacent" in this section, includes waters located within the riparian area or floodplain of a water identified in paragraphs (s)(1) through (5) of this section, or waters with a shallow subsurface hydrologic connection or confined surface hydrologic connection to such a jurisdictional water.
- (3) Riparian area. The term riparian area means an area bordering a water where surface or subsurface hydrology directly influence the ecological processes and plant and animal community structure in that area. Riparian areas are transitional areas between aquatic and terrestrial ecosystems that influence the exchange of energy and materials between those ecosystems.
- (4) Floodplain. The term floodplain means an area bordering inland or coastal waters that was formed by sediment deposition from such water under present climatic conditions and is inundated during periods of moderate to high water flows.
- (5) Tributary. The term tributary means a water physically characterized by the presence of a bed and banks and ordinary high water mark, as defined at 33 CFR 328.3(e), which contributes flow, either directly or through another water, to a water identified in paragraphs (s)(1) through (4) of this section. In addition, wetlands, lakes, and ponds are tributaries (even if they lack a bed and banks or ordinary high water mark) if they contribute flow, either directly or through another water to a water identified in paragraphs (s)(1) through (3) of this section. A water that otherwise qualifies as a tributary under this definition does not lose its status as a tributary if, for any length, there are one or more man-made breaks (such as bridges, culverts, pipes, or dams), or one or more natural breaks (such as wetlands at the head of or along the run of a stream, debris piles, boulder fields, or a stream that flows underground) so long as a bed and banks and an ordinary high water mark can be identified upstream of the break. A tributary, including wetlands, can be a natural, man-altered, or man-made water and includes waters such as rivers, streams, lakes, ponds, impoundments, canals, and ditches not excluded in paragraph (t)(3) or (4) of this section.
- (6) Wetlands. The term wetlands means those areas that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs and similar areas.
- (7) Significant nexus. The term significant nexus means that a water, including wetlands, either alone or in combination with other similarly situated waters in the region (i.e., the watershed that drains to the nearest water identified in paragraphs (s)(1) through (3) of this section), significantly affects the chemical, physical, or biological integrity of a water

identified in paragraphs (s)(1) through (3) of this section. For an effect to be significant, it must be more than speculative or insubstantial. Other waters, including wetlands, are similarly situated when they perform similar functions and are located sufficiently close together or sufficiently close to a "water of the United States" so that they can be evaluated as a single landscape unit with regard to their effect on the chemical, physical, or biological integrity of a water identified in paragraphs (s)(1) through (3) of this section.

This regulation has been criticized by <u>Heritage Foundation</u> Staff as allowing regulation of "all ditches, except in narrow circumstances… even includ[ing] man-made ditches," and by the <u>U.S. Chamber of Commerce</u> that it would "subject farmers, ranchers, manufacturers, home builders, local governments—nearly any property owner—to new layers of reviews and permitting."

The <u>Transportation and Infrastructure Committee</u> has posted additional background on the legislation.

The EPA has established a website promoting their regulations.

<u>Committee Action</u>: H.R. 5078 was introduced on July 11, 2014. The Transportation and Infrastructure Committee marked up and passed H.R. 5078 by voice vote on <u>July 16, 2014</u>.

The Committee Report can be found <u>here</u>.

Outside Groups:

Associated Builders and Contractors (ABC) is **key voting** support.

National Association of Home Builders (NAHB) is **key voting** support.

According to the Committee on Transportation and Infrastructure, the following organizations support H.R. 5078:

| American Road & Transportation Builders Association | Irrigation Association | Public Lands Council |
|---|--|---|
| Agricultural Council of Arkansas | Kansas Chapter Golf Course Superintendent Association of America | Riverside & Landowners Protection Coalition |
| Agricultural Retailers Association | Kansas Cotton Association | Select Milk Producers, Inc. |
| Alabama Pork Producers | Kansas Grain and Feed Association | South Dakota Agri-Business Association |
| Alabama Cotton Commission | Kansas Pork Association | South Dakota Grain & Feed Association |
| American Exploration & Mining Association | Louisiana Pork producers Association | South East Dairy Farmers <u>Association</u> |

| American Farm Bureau FederationLeading Builders of AmericaSouth Texans' Property AssociationAmerican Forest & Paper AssociationLone Star Golf Course Superintendents AssociationSouth Texas Cotton & Association | Rigitts |
|---|----------------|
| <u>Association</u> <u>Superintendents Association</u> <u>Association</u> | |
| | Grain |
| | |
| American Iron and Steel Louisiana Cotton and Grain Southeastern Luml | oer |
| Institute Association Manufacturers Assoc | |
| Maine Hog Growers Metropolitan Golf Co | |
| American Petroleum Institute Association Association Association Superintendent Association | |
| American Public Power Michigan Pork Producers Michigan Golf Cou | ırse |
| Association Association Superintendents Association | ciation |
| American Road & | |
| Transportation Ruilders Milk Producers Council Mid-Atlantic Associat | |
| Association Association Golf Course Superinte | ndent_ |
| Minnesota Corn Growers Mid-Atlantic Section | of the |
| American Sugar Alliance Association Association PGA | or the |
| | of Colf |
| American Sugar Cane League | |
| Association Course Superintend | |
| American Sugarbeet Growers Mississippi Pork Producers Minnesota Golf Con | |
| <u>Association</u> <u>Association</u> <u>Superintendents' Asso</u> | <u>ciation</u> |
| American Society of Golf Missouri Agribusiness Minnesota Section P | QGA |
| <u>Course Architects</u> <u>Association</u> | |
| Arizona Cotton Growers Missouri Pork Producers NAIOP, the Commerci | al Real |
| Arizona Cotton Growers Association AssociationSouthwest Council Estate Developme | <u>nt</u> |
| <u>Association</u> <u>of Agribusiness</u> <u>Association</u> | |
| Tennessee Pork Producers National Alliance of I | Forest |
| Arizona Pork Council Association Association Association Owners | |
| Arkansas Pork Producers Tayas Agricultural Land Trust National Alliance | of |
| Association Texas Agricultural Land Trust Independent Crop Cons | |
| Associated Builders and Texas Association of National Cattleman's | |
| Contractors Agricultural Consultants Association Association | Beer |
| National Association of | f Flood |
| Associated industries of <u>Iexas Association of</u> and Stormwater Manager | |
| Florida <u>Dairymen</u> Agencies | |
| Association of American National Association of | f Home |
| Railroads Texas Broiler Council Builders | TIOME |
| Association of Texas Soil & Texas Cattle Feeders National Associatio | n of |
| Water Conservation Districts Association Manufacturers | |
| Cactus & Pine Golf Course National Associatio | n of |
| Superintendents Association Texas Citrus Mutual REALTORS® | <u> </u> |
| California Cotton Ginners Tayan Dear Association National Club Association | ati ac |
| Association Texas Deer Association National Club Association | auon |
| California Cotton Growers Texas Egg Council National Cotton Cou | moil |
| Association | - |
| <u>California Pork Producers</u> <u>Texas Grain & Feed</u> <u>National Council of F</u> | armer |
| <u>Association</u> <u>Association</u> <u>Cooperatives</u> | |
| Calusa Golf Course <u>Texas Grain Sorghum</u> <u>National Federation</u> | n of |

| Superintendent Association | Association | Independent Businesses |
|-------------------------------|-------------------------------------|------------------------------------|
| Carolines Calf Course | Towas Names of Landsons | National Industrial Sand |
| Carolinas Golf Course | Texas Nursery & Landscape | Associationmerican Public |
| Superintendent's Association | Association | Power Association |
| Central Illinois Golf Course | Texas Pest Management | National Mining Association |
| Superintendent Association | Association | National Mining Association |
| Club Managers Association of | Texas Pork Producers | National Multifamily Housing |
| America | Association | Council |
| Cotton and Grain Producers of | | National Oilseed Processors |
| the Lower Rio Grande Valley | Texas Poultry Federation | Association |
| Colorado Pork Producers | Texas Poultry Improvement | National Pork Producers |
| Council | Association | Council (NPPC) |
| | Texas Rice Producers | National Rural Electric |
| Corn Producers of Texas | Legislative Group | Cooperative Association |
| | | National Stone, Sand and |
| <u>CropLife America</u> | Texas Seed Trade Association | Gravel Association (NSSGA) |
| | Texas Sheep & Goat Raisers | National Water Resources |
| Dairy Producers of Utah | Association | Association |
| Delaware-Maryland | | Nebraska Golf Course |
| Agribusiness Association | Texas Soybean Association | Superintendents Association |
| rigitousiness rissociation | | North Carolina Cotton |
| Delta Council | <u>Texas Turkey Federation</u> | Producers Association |
| Earth Moving Contractors | | Northern Ohio Golf Course |
| Association of Texas | <u>Texas Vegetable Association</u> | Superintendent's Association |
| Association of Texas | Texas Wheat Producers | Northwestern PA Golf Course |
| Exotic Wildlife Association | Association | Superintendents Assoc., Inc |
| Edison Electric Institute | Texas Wildlife Association | Oklahoma Cotton Council |
| Federal Forest Resources | 10xas Wilding Association | Oregon Golf Course |
| Coalition | <u>Turfgrass Producers of Texas</u> | Superintendents Association |
| Coantion | | Peaks and Prairies Golf |
| Florida Chamber of | II C Cottlements Association | |
| Commerce | <u>U.S. Cattlemen's Association</u> | Course Superintendents Association |
| | Unstate Niegore Cooperative | Philadelphia Association of |
| Florida Farm Bureau | Upstate Niagara Cooperative, | <u> </u> |
| Egreet I and arrange | <u>Inc.</u> | Golf Course Superintendents |
| Forest Landowners | USA Rice Federation | Plains Cotton Growers, Inc. |
| Association | II. I D. I D. I | |
| Forest Resource Association | <u>Utah Pork Producers</u> | Portland Cement Association |
| E 1-4i f Ei | Association | |
| Foundation for Environmental | Wincipio Applications Car. 1 | Professional Golfers |
| and Economic Progress | Virginia Agribusiness Council | Association of America |
| (FEEP) | Vincinio Daulton E-J | Duklio Londo Corresti |
| Georgia Cotton Commission | Virginia Poultry Federation | Public Lands Council |
| Georgia Golf Course | Vocational Agriculture | Responsible Industry for a |
| Superintendents Association | Teachers Association of Texas | Sound Environment (RISE) |
| Georgia Pork Producers | West Virginia Pork Producers | Rolling Plains Cotton Growers |
| Association | <u>Council</u> | |

| Golf Course Builders Association of America | Western Peanut Growers Association | San Diego Golf Course Superintendents Association |
|--|--|---|
| Golf Course Superintendents Association of America | Western United Dairymen | San Joaquin Valley Quality Cotton Growers Association |
| Golf Course Superintendents Association of America | Wisconsin Pork Producers Association | Sierra Nevada Golf Course Superintendent Association |
| Golf Course Superintendents Association of New Jersey | Wyoming Ag Business Association | South Dakota Chapter of Golf Course Superintendents Association of America, |
| Golf Course Superintendents Association of Northern California | Wyoming Crop Improvement Association | South Texas Golf Course Superintendents Association |
| Golf Course Superintendents Association of Southern California | Wyoming Wheat Growers Association | Southeastern Lumber Manufacturers Association |
| Greater Cincinnati Golf Course Superintendents Association | Missouri Dairy Association | Southern Crop Production Association |
| Guadalupe-Blanco River | Missouri Pork Producers | The Associated General |
| Authority in Texas | <u>Association</u> | Contractors of America |
| Gulf Coast Golf Course | National Alliance of Forest | The Fertilizer Institute |
| Superintendent Association | <u>Owners</u> | |
| Hardwood Federation | National Alliance of Independent Crop Consultants | The Florida Golf Course Superintendents Association's |
| Heart of America Golf Course | National Cattleman's Beef | Heritage Foundation |
| Superintendents Association | Association | |
| Hi-Lo Golf Course Superintendent Association | National Council of Farmer Cooperatives | The Independent Petroleum Association of America (IPAA) |
| Idaho Dairymen's Association | National Pork Producers Council | The Intermountain Golf Course Superintendents Association |
| Illinois Pork Producers <u>Association</u> | National Sorghum Producers | The National Cotton Council |
| Independent Cattlemens Association of Texas | National Turkey Federation | The Pennsylvania Department of Environmental Protection and Department of Agriculture |
| Iowa Pork Producers Association | Nebraska Pork Producers Association, Inc. | Treated Wood Council |
| Industrial Minerals Association – North America | New Hampshire Pork Producers Council | U.S. Chamber of Commerce |
| Inland Empire Golf Course Superintendent's Association | North Carolina Pork Council, Inc. | United Egg Producers |
| International Council of Shopping Centers | Northeast Dairy Farmers Cooperatives | Virginia Golf Course Superintendents Association |
| International Council of | Ohio AgriBusiness | Water Advocacy Coalition |

| Shopping Centers (ICSC) | <u>Association</u> | |
|---|-----------------------------|--|
| Iowa Golf Course Superintendent Association | Ohio Pork Producers Council | |

<u>Administration Position</u>: The <u>SAP</u> states that "Administration strongly opposes H.R. 5078," and that "if the President were presented with H.R. 5078, his senior advisers would recommend that he veto the bill."

<u>Cost to Taxpayers</u>: According to <u>CBO</u>, H.R. 5078 "would have no significant effect on discretionary spending by EPA or the Corps," "would not affect revenues," and "would have an insignificant effect on direct spending over the 2015-2024 period."

Does the Bill Expand the Size and Scope of the Federal Government?: No.

<u>Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?</u>: No, according to <u>CBO</u>.

<u>Does the Bill Contain Any Federal Encroachment into State or Local Authority in Potential Violation of the 10th Amendment?</u>: No.

Does the Bill Delegate Any Legislative Authority to the Executive Branch?: No.

<u>Does the Bill Contain Any Earmarks/Limited Tax Benefits/Limited Tariff Benefits?</u>:

According to the <u>Committee Report</u>, "H.R. 5078 does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits."

<u>Constitutional Authority</u>: "Congress has the power to enact this legislation pursuant to the following: Article I, Section 8 of the United States Constitution, specifically Clause 3 (related to regulation of Commerce among the several States)."

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<u>NOTE</u>: RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.

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