

ENVIRONMENTAL INFRASTRUCTURE
CLEAN WATER SRF – \$12 BILLION

Infrastructure Needs: High quality drinking water and wastewater treatment are critical to protecting human health and the environment. The Congressional Budget Office estimates that there is an annual investment need of between \$11.6 billion and \$20.1 billion to ensure a safe, clean supply of drinking water, and an additional need for annual investment of between \$13 billion and \$20.9 billion in wastewater treatment. Given current funding levels from all sources, **there is an annual investment gap for wastewater and drinking water infrastructure of at least \$3 billion and as much as \$19.4 billion.**

There are 772 communities in 33 states and the District of Columbia with a total of 9,471 identified combined sewer overflow problems. Combined sewer overflows contribute to the ongoing contamination of the nation’s waters by releasing approximately 850 million gallons of raw or partially-treated sewage annually. In addition, the Environmental Protection Agency (“EPA”) estimates that between 23,000 and 75,000 sanitary sewer overflows occur each year in the United States, releasing between 3 to 10 billion gallons of sewage per year. The EPA estimates that more than \$50.6 billion is necessary to correct combined sewer overflow problems, and an additional \$88.5 billion to eliminate sanitary sewer overflows.

While the demand for Clean Water State Revolving Fund (“Clean Water SRF”) funds is increasing, appropriations have declined significantly. The decreased funding has created a pent-up demand in the States for project funding. Needs are driven by new treatment requirements that must be met (e.g., to control nutrients, sewer overflows, stormwater and nonpoint sources), as well as aging infrastructure that must be replaced or repaired to maintain current levels of pollution control. There are additional needs to implement “green infrastructure” technologies, such as on-site source controls to capture stormwater, stream buffers, and other water reuse technologies, that provide equal or greater environmental benefit at a reduced cost, reduce wet-weather related “peak” loads, and promote water conservation and reuse. Similarly, there is a significant need for energy-efficiency improvements at publicly owned treatment works.

Ready-to-Go Projects: A recent survey by the Council of Infrastructure Financing Authorities and the Association of State and Interstate Water Pollution Control Administrators (“ASIWPCA”) identified \$10 billion of Clean Water SRF projects (with only 30 States reporting) that are ready to go to construction if additional funding is made available. For example, most wastewater treatment utilities have small capital-related projects on the shelf that could be carried out very quickly, such as pumps, compressors, bar screens, trucks, security measures, and polishing pond expansions. Similarly, a December 2008 survey of 427 cities by the U.S. Conference of Mayors identified 2,536 water and wastewater treatment projects at a total cost of \$15.4 billion that are ready to go to construction in 2009.¹⁶ Finally, American Rivers has identified 77 “green infrastructure” projects (with only 13 States and the District of Columbia reporting) valued at more than \$600 million that could be obligated within six months of the date of enactment.

Proposal: Provide an additional \$12 billion to construct, rehabilitate, and modernize the nation’s wastewater infrastructure through the Clean Water SRF program. Within the existing Clean Water SRF allocation to States, direct individual State infrastructure financing authorities to: (1) utilize 40 percent of the capitalization grants for additional subsidizations or grants to disadvantaged communities and communities with populations of 50,000 individuals or fewer, and (2) utilize 15 percent of the capitalization grant for investment in projects or technologies that use environmentally sensitive, and energy and water efficient plans or components (i.e., green infrastructure).

Source: Appropriate funds from the General Fund.

Distribution: Distribute \$12 billion for the Clean Water SRF pursuant to the existing Clean Water Act distribution formula.

The Clean Water SRF serves communities of all sizes – 75 percent of loans have been made to communities with a population of less than 10,000 and 45 percent of the funds have gone to communities with a population of 100,000 or more. However, in 1987, Congress converted the

¹⁶ *MainStreet Economic Recovery, “Ready to Go” Jobs and Infrastructure Projects*, U.S. Conference of Mayors, December 8, 2008.

Clean Water Construction Grants program to the Clean Water SRF. As a result, Federal wastewater infrastructure funding for most medium-sized and smaller communities (communities with populations of 50,000 individuals or fewer) has come in the form of loans under the SRF rather than grants. Under this proposal, State infrastructure financing authorities are required to utilize 40 percent of the capitalization grant for additional subsidizations or grants to communities with populations of 50,000 individuals or fewer, thereby increasing the affordability of wastewater infrastructure projects to many medium-sized and smaller communities.

In addition, this proposal requires State infrastructure financing authorities to utilize an additional 15 percent of the capitalization grant for “green technologies”, either through additional subsidizations, grants, or other mechanisms that encourage investment in projects or technologies which utilize environmentally sensitive, and energy and water efficient plans or components.

Prioritization: Prioritize funds on projects that are ready to go to construction and can be underway within 90 days.

Shovel-Ready Deadlines: Require State infrastructure financing authorities to award contracts for projects totaling at least \$3 billion (25 percent) of these funds within 90 days of the date of allocation. Require authorities to award contracts for projects totaling at least \$6 billion (50 percent) of these funds within one year and award contracts for all of the funding within two years of the date of enactment.

Economic Impact: Create approximately 334,000 jobs and \$59 billion of economic activity.

ENVIRONMENTAL INFRASTRUCTURE
ALTERNATIVE WATER SOURCE – \$500 MILLION

Infrastructure Needs: In recent years, there has been increasing interest by communities across the nation to ensure the availability of water sources to meet future water supply needs. Growth in population, increased awareness of the impacts of global climate change, and increasing environmental awareness are causing many communities to explore alternative water supplies through reclamation, reuse, and conservation of water and wastewater.

Although alternative water source projects are eligible under the Clean Water Act SRF program, most Clean Water SRF funding is used to finance traditional wastewater infrastructure projects, not projects to enhance water supplies.

In 2000, Congress enacted the Estuaries and Clean Waters Act (P.L. 106-457), which created a competitive grant pilot program for alternative water source projects (section 220 of the Clean Water Act.)

Proposal: Provide an additional \$500 million for the Environmental Protection Agency's ("EPA") Alternative Water Source Program.

Source: Appropriate funds from the General Fund.

Distribution: Distribute funds to States, water resource development agencies, local government agencies, private utilities, and nonprofit entities through EPA's competitive grant process.

Prioritization: Prioritize funds on projects that are ready to go to construction and can be underway within 90 days.

Shovel-Ready Deadlines: Require States, water resources development agencies, local government agencies, private utilities, and nonprofit entities to award contracts for projects totaling at least \$125 million (25 percent) of these funds within 90 days of the date of grant receipt. Require that authorities to award contracts totaling at least \$250 million (50 percent) of these funds within one year and award contracts for all of the funding within two years of the date of enactment.

Economic Impact: Create more than 13,900 jobs and \$2.4 billion of economic activity.

**ENVIRONMENTAL INFRASTRUCTURE –
NONPOINT SOURCE MANAGEMENT PROGRAM – \$1 BILLION**

Infrastructure Needs: Over the past 30 years, the Clean Water Act has made great advances in improving the quality of U.S. waters and controlling various sources of pollution, with one large exception – nonpoint sources of pollution. Nonpoint source pollution refers to the polluting of water by diffuse sources rather than single identifiable “point” sources. These diffuse sources are usually associated with land use activities as opposed to end-of-pipe discharges. Examples of common nonpoint source pollutants include: sediments, fertilizers, and pesticides from rural farms and urban lawns; bacteria and viruses from livestock and pet waste; sediments and soil from improperly managed construction sites and timber harvesting; oil and chemicals from urban runoff flowing over streets, parking lots, and industrial facilities; and a variety of pollutants from airborne pathways. After 36 years of Federal and state efforts to protect water quality, the single largest remaining and uncontrolled contributor of pollutants to the nation’s waters is nonpoint sources. In fact, EPA has estimated that 90 percent of the nation’s impaired waters are contaminated, in part, by nonpoint sources of pollution.

In 1987, Congress amended the Clean Water Act to establish the section 319 Nonpoint Source Management Program because it recognized the need for greater Federal leadership to help focus State and local nonpoint source efforts. Under section 319 of the Clean Water Act, States, Territories, and Indian Tribes receive grants which support a wide variety of activities including technical assistance, financial assistance, education, training, technology transfer, demonstration projects, and monitoring to assess the success of specific nonpoint source implementation projects. Section 319 funds are allocated to each State according to the Environmental Protection Agency’s (“EPA”) administrative allocation formula.

In fiscal year 2008, Congress appropriated \$201 million for the Nonpoint Source Management Program.

According to the most recent EPA Clean Water Needs Survey, total nonpoint source needs over the next 20 years are \$38 billion or \$1.9 billion annually on average. However, this amount does not include data from all States and all categories of nonpoint sources of pollution.

A recent report published by the Association of State and Interstate Water Pollution Control Administrators (“ASIWPCA”), entitled “Call for Change”, notes that the current level of section 319 funding is not sufficient to run a comprehensive nonpoint source program. For example, according to a State survey conducted by ASWIPCA, States in the Northeast have reported that they could utilize 100 percent to 500 percent more section 319 funding than is currently allocated to these States. These projections, however, are likely to be much larger for the agricultural-intensive Midwestern States.

Proposal: Provide \$1 billion for EPA’s Nonpoint Source Management Program.

Source: Appropriate funds from the General Fund.

Distribution: Distribute funds to States pursuant to EPA’s existing administrative allocation formula. The allocation formula is contained in Appendix G of EPA’s *1997 Nonpoint Source Guidance*.

Prioritization: Prioritize funds on projects that are ready to go to construction and can be underway within 90 days.

Shovel-Ready Deadlines: Require States to award contracts for projects totaling at least \$250 million (25 percent) of these funds within 90 days of the date of allocation. Require States to award contracts for projects totaling at least \$500 million (50 percent) of these funds within one year and award contracts for all of the funding within two years of the date of enactment.

Economic Impact: Create more than 27,800 jobs and \$4.96 billion of economic activity.

ENVIRONMENTAL INFRASTRUCTURE
NATIONAL ESTUARY PROGRAM – \$100 MILLION

Infrastructure Needs: The National Estuary Program is intended to promote comprehensive planning efforts to help protect nationally significant estuaries in the United States that are deemed to be threatened by pollution, development, or overuse. Twenty-eight estuaries are currently authorized by the Clean Water Act, including Chesapeake Bay, Long Island Sound, New York and Connecticut; Narragansett Bay, Rhode Island; Puget Sound, Washington; San Francisco Bay, California; and Galveston Bay, Texas.

National Estuary Program (“NEP”) offices are intended to utilize Federal funds, in part, to leverage additional resources from state and local governments, and from public and private sector sources. Over the past two decades, NEPs have attracted funding from a variety of sources and partnerships including the Clean Water State Revolving Fund program, stormwater utility fees, municipal bond funding, fines and settlements, and sales fees. According to the Environmental Protection Agency (“EPA”), the National Estuary Program received a total of \$85 million between fiscal years 2003 and 2007. However, the Program was able to leverage nearly \$1.3 billion in funding from non-EPA sources. This is a funding ratio of non-EPA to EPA funds of 15.5 to 1.

EPA exercises oversight authority over the local NEP programs, and provides technical assistance (e.g., finance planning, smart growth, monitoring and assessment) and programmatic assistance (policy development) to estuary management programs. For example, estuary management programs are required to periodically monitor the effectiveness of their management activities to address estuary-specific priority actions (as established through the Management Conference).

Ready-to-Go Projects: The Restore America’s Estuaries coalition, which represents 11 of the nation’s 28 estuary management programs, conducted a study of a majority of all 28 estuaries and identified \$71.6 million in 121 ready-to-go projects, including projects to address stormwater runoff, create tidal lagoons for habitat restoration, and restore wetlands.

Proposal: Provide \$100 million for the National Estuary Program.

Source: Appropriate funds from the General Fund.

Distribution: Distribute funds to estuary management programs through EPA’s current administrative process.

Prioritization: Prioritize funds on projects that are ready to go to construction and can be underway within 90 days.

Shovel-Ready Deadlines: Require estuary management programs to award contracts for projects totaling at least \$50 million (50 percent) of these funds within 90 days of the date of grant receipt. Require estuary management programs to award contracts for projects totaling at least \$75 million (75 percent) of these funds within one year and award contracts for all of the funding within two years of the date of enactment.

Economic Impact: Create approximately 2,780 jobs and \$500 million of economic activity.

ENVIRONMENTAL INFRASTRUCTURE
GREAT LAKES LEGACY CONTAMINATED SEDIMENT REMEDIATION – \$400 MILLION

Infrastructure Needs: The Great Lakes Legacy Act authorizes funding to clean up contaminated sediment sites in those areas of the U.S. Great Lakes that have areas of concern. This funding is used for remediation, public outreach, and research. Legacy Act cleanup is primarily focused on those sites that are not National Priorities List (i.e., Superfund) sites.

Thirty-one areas of concern – with multiple discrete hazardous waste sites eligible for Legacy Act funding – exist in and around the Great Lakes. Sites with high concentrations of toxic substances are often the historical, or legacy, remnants of former industrial pollution. While the discharge of these pollutants has largely ceased, these historical pollutants remain in contaminated sediment in those areas. Due, in part, to stagnant funding levels, only four discrete hazardous waste sites (within U.S. areas of concern) have been remediated since the Legacy Act was enacted in 2002.

Legacy Act remediation projects are conducted through negotiated agreements between the Environmental Protection Agency (“EPA”) and a non-Federal sponsor. Cleanup projects are cost-shared, with the non-Federal sponsor being responsible for 100 percent of the operation and maintenance costs. Projects are first monitored and evaluated by EPA to determine the nature and extent of contamination. Pursuant to the Great Lakes Legacy Reauthorization Act of 2008 (P.L. 110-365), the Federal Government is responsible for 100 percent of initial site assessment costs. After site assessment, the non-Federal sponsor enters into a cost-share agreement with the Federal Government and remediation begins. When remediation is complete at a site, or project, in a given area of concern and beneficial uses are no longer impaired, an area of concern can be delisted.

The Great Lakes Commission, which includes State-elected representatives from each of the eight Great Lakes States, recommends an additional \$250 million for Legacy Act projects for the upcoming fiscal year.

Ready-to-Go Projects: The Environmental Protection Agency has identified \$160 million of Legacy Act ready-to-go projects. EPA has identified a total of \$657 million of Legacy Act projects that are ready-to-go to construction within two years.

Proposal: Provide \$400 million for EPA’s Great Lakes Legacy Act Program.

Source: Appropriate funds from the General Fund.

Distribution: Distribute funds to Legacy Act projects through EPA’s current administrative process.

Prioritization: Prioritize funds on projects that are ready to go to construction and can be underway within 90 days.

Shovel-Ready Deadlines: Require non-Federal sponsors to award contracts for projects totaling at least \$100 million (25 percent) of these funds within 90 days of the date of grant receipt. Require non-Federal sponsors to award contracts for projects totaling at least \$200 million (50 percent) of these funds within one year and award contracts for all of the funding within two years of the date of enactment.

Economic Impact: Create approximately 11,000 jobs and \$2 billion of economic activity.

ENVIRONMENTAL INFRASTRUCTURE
BROWNFIELDS – \$275 MILLION

Infrastructure Needs: Brownfields are properties, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. Types of brownfields include inactive factories, gas stations, salvage yards, or abandoned warehouses. These sites drive down property values, provide little or no tax revenue, and contribute to community blight. There are estimated to be between 450,000 to one million brownfields sites in the United States. Redevelopment of these abandoned sites can promote economic development, revitalize neighborhoods, enable the creation of public parks and open space, or preserve existing properties, including undeveloped green spaces.

According to Environmental Protection Agency (“EPA”) statistics, Federal funding of brownfields cleanup has a significant beneficial impact on state and local governments, in terms of returning underutilized properties to productive use and local tax rolls, as well a proven track record of leveraging additional public and private sector redevelopment funding and job creation. According to EPA, since the enactment of EPA’s brownfields program in 2002, the Federal investment of \$593.7 million has leveraged more than \$10.4 billion in cleanup and redevelopment funding and helped create 47,201 jobs in cleanup, construction, and redevelopment. Given current Federal funding levels (approximately \$70 million per year), **there is an annual investment gap of approximately \$280 million for backlogged applications for brownfield projects.**

Ready-to-Go Projects: In fiscal year 2008, the Environmental Protection Agency received 845 proposals requesting funding, but announced that only 209 projects were selected to receive 314 assessment, revolving loan fund, and cleanup grants totaling \$74 million. Fully funding these 845 proposals would require a total of \$350 million.

Proposal: Provide \$275 million for EPA’s Brownfields Discretionary Grant Program.

Source: Appropriate funds from the General Fund.

Distribution: Distribute funds to States, cities, and redevelopment agencies through existing EPA Brownfields Discretionary Grant program for site assessments, remediation and cleanup grants, and to capitalize state brownfield revolving loan programs as authorized under section 104(k) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Brownfields Revitalization and Environmental Restoration Act of 2001 (P.L. 107-118).

Prioritization: Prioritize funds on projects that are ready to go to construction and can be underway within 90 days.

Shovel-Ready Deadlines: Require States, cities, and redevelopment agencies to award contracts for projects totaling at least \$137.5 million (50 percent) of these funds within 90 days of the date of grant receipt. Require States, cities, and redevelopment agencies to award contracts for all of the funding within one year of the date of enactment.

Economic Impact: Create more than 7,600 jobs and \$1.4 billion of economic activity.