



April 20, 2016

The Honorable Ken Calvert
The Honorable Betty McCollum
House Appropriations Subcommittee on
Interior, Environment, and Related Agencies
United States House of Representatives
Washington, D.C. 20515

Re: FY 17 Appropriations for the U.S. Environmental Protection Agency for Water Programs

Dear Chairman Calvert and Ranking Member McCollum:

Our organizations represent the primary state agencies with responsibility for the programmatic and financial management of the SRF programs as well as administering clean and safe drinking water programs under the Clean Water Act (CWA) and Safe Drinking Water Act (SDWA). We write to provide our perspectives and recommendations relative to the Fiscal Year 2017 (FY 17) appropriation for the U.S. Environmental Protection Agency; both for water infrastructure as well as for “human infrastructure” in states -- the women and men who are essential to our continued national success.

We thank the Subcommittee for its long-standing fiscal support of the State Revolving Loan Fund (SRF) programs as well as for state clean and safe water programs. We appreciate many elements of the Administration’s overall FY 17 budget request and believe those components will be valuable and necessary elements of an overall program of water infrastructure investment. We also offer our recommendations for funding of the key State and Tribal Assistance Grant (STAG) programs integral to the overall objective of protecting public health and the environment.

In making these various recommendations, we acknowledge the fiscal realities facing this nation and the difficult decisions the Committee must make. However, we also highlight our nation’s significant water infrastructure needs. We ask that you give serious consideration to these needs, as described in detail below. In those instances where our requests are beyond the amounts contained in the President’s budget (i.e., for the CWSRF, the Drinking Water PWSS grant, and for state security programs), we stand ready to work with Congress and the Agency to identify budgetary offsets that do not damage core state and federal programs.

Support for the State Revolving Loan Funds

Record of Accomplishment and Current Needs: The Clean Water State Revolving Loan Fund (CWSRF) and the Drinking Water State Revolving Loan Fund (DWSRF) are among the most successful and cost effective environmental programs enacted by Congress. The funding assistance provided to both small and large communities through this Federal-state partnership has achieved a remarkable record and been instrumental in delivering safe and clean water for the American public. The “revolving” nature of the loan programs and states’ efforts to maximize Federal capitalization grants assure a continuing, exponential return on Federal investments. This successful history, however, is paralleled by a growing national water and wastewater infrastructure *need*. Cities and towns across the country face aging and decaying water and wastewater systems sorely in need of the types of investments advocated below. We appreciate Congress’ continued support for these critical programs, as discussed in more detail below; but we urge Congress to refrain from making year to year changes, through the appropriations process, to the ground rules for these programs.

Support for the DWSRF: We support the Administration’s FY17 request of \$1.020 billion for the DWSRF. In view of the American Society of Civil Engineers’ “grade” of D+ for our nation’s drinking water infrastructure and the most recent EPA drinking water infrastructure “needs” estimate of \$384 billion over the next 20 years, this modest increase over the previous year’s funding is certainly warranted.¹ Recent events, over the past few years, such as chemical spills, algal toxins, and elevated lead levels in drinking water underscore the criticality of drinking water infrastructure – as well as the associated “human infrastructure” -- at both the state and local levels.

Support for the CWSRF: Clean water infrastructure likewise has a 20 year national estimated need of \$271 billion according to the EPA 2012 Clean Watersheds Needs Survey – comparable to the drinking water need mentioned above. In light of those pressing needs, we are concerned with the FY17 budget request of \$979.5 million for the CWSRF program. This reduction from the FY16 enacted level of \$1.393.9 billion is at odds with the demonstrated need and high cost of wastewater projects. We thus urge the Subcommittee to fund the CWSRF at minimum at the FY16 enacted level.²

Parity between SRF Programs: We recognize the budgetary constraints faced by Congress. However, we believe it is important to identify a way to increase DWSRF funding without adversely impacting the CWSRF funding of or other important environmental programs.

Water Infrastructure Investments to Help Small Communities and Assist States (WIRFC)

The Administration has requested \$22.3 million for the Water Infrastructure Resiliency and Finance Center (WIRFC), which was launched in FY 16. The Center would continue to support water infrastructure investments by technical assistance designed to help small communities in designing effective pricing structures, incorporating best practices, developing integrated plans,

¹ See ECOS Resolution 08-1, Revised 4/2/14, “Congress Should Reauthorize and Fully Fund the SRFs”

² Id.

and undertaking climate resiliency planning. We support that request and states stand ready to assist in these various efforts. Small communities, with poorer economies of scale and often less access to needed expertise can greatly benefit from the type of assistance envisioned. In short, we believe the planned areas of focus are appropriate and much needed.

WIFIA Program Administration and Loans

The President requested \$20 million for by the Water Infrastructure Financing Innovations Act (WIFIA) -- \$15 million for WIFIA loans and \$5 million for EPA's administration of the fund. We recommend that any funding for WIFIA *not* come at the expense of the SRFs or the State and Tribal Assistance Grants (STAG).

State and Tribal Assistance Grants (STAG)

Finally, we offer specific recommendations relative to these critical grants to states. These below programs fund essential personnel – including engineers, permit writers, inspectors, biologists, and compliance assistance officials – who play critical roles in helping ensure clean and safe water for all Americans. Our recommendations on each grant program are as follows.

CWA §106 Program: We support the Administration's request of \$246 million for state pollution control programs under CWA §106. This funding is essential for states to implement a wide array of ongoing core water pollution control programs, such as the National Pollutant Discharge Elimination System (NPDES) program, as well as continued infrastructure development.

CWA §319 Program: The CWA §319 program is unique for its focus on local partnerships with agricultural entities to reduce water pollution, such as excessive levels of nitrogen and phosphorus. We estimate that four dollars in watershed investment is derived from every federal dollar when §319 funds are leveraged with U.S. Department of Agriculture programs. Similar partnerships for other pollutants also leverage multiple funding sources to protect and restore watersheds. We urge the Subcommittee to fund the President's request of \$164.9 million, although the national need is significantly greater.³

CWA Wetland Program Development Grants: We support the Administration's request for \$17.7 million to assist state wetland program development. This funding is critical to states and supports improvements in state wetland programs based on priorities identified by individual states. States can apply for support for a wide range of activities such as developing water quality standards for wetlands, improving permitting programs, enhancing voluntary wetland restoration programs and monitoring wetlands health.

SDWA PWSS Grant: The President's FY 17 request for the Public Water System Supervision Program (PWSS) was \$109.7 million. While we appreciate this modest requested increase of approximately \$8 million over the FY 16 enacted level, we believe the amount is still far short of what is needed for this critical work on the part of states to implement SDWA programs in their

³ See ECOS Resolution 11-9, Revised 9/17/14, "Support for the Clean Water Act Section 319 Program".

states. This need to better fund our human infrastructure has been underscored recently by the real and present threats of algal toxins and lead in drinking water as well as emerging threats such as perfluorinated chemicals and perchlorate. A January 2014 report by the Association of State Drinking Water Administrators – based on assessing resources needs in all 50 states – indicated that *at least twice* that amount is needed. Further, we believe a small, but much needed grant of \$10 million for state drinking water security programs should be appropriated to allow states to continue to be the critical nexus between Federal and local efforts to promote preparedness and resiliency in the face of “all hazards” threats to drinking water.

In summary, we urge your continued support for the SRF programs as well as state clean and safe water programs and appreciate the opportunity to share our views as the Subcommittee undertakes its work on the FY 17 appropriations bill.

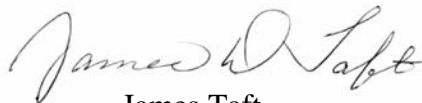
Sincerely,



Alexandra Dunn
Executive Director
Environmental Council of the States



Julia Anastasio
Executive Director
Association of Clean Water Administrators



James Taft
Executive Director
Association of State Drinking Water Administrators



Rick Farrell
Executive Director
Council on Infrastructure Financing Authorities



Jeanne Christie
Executive Director
Association of State Wetland Managers



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The Honorable Lisa Murkowski
The Honorable Tom Udall
Senate Appropriations Subcommittee on
Interior, Environment, and Related Agencies
United States Senate
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