



Final Action on SRF Totals Nearly Decided

While final action was still pending at press time, the federal appropriation for Clean Water State Revolving Funds will be close to \$1.3 billion for the fiscal year that began Oct. 1. The House and Senate approved different totals, with the compromise figure expected to be around that level. Both bodies agreed to an \$850 million total for the Safe Drinking State Water Revolving Funds, and that amount will appear in the final bill.

A conference committee has been working on resolving differences in the two measures passed by the respective houses of Congress, after which final approval from both bodies would send the spending measure to President Bush for his signature.

Administration Proposal on CSOs Rejected

In setting the Clean Water SRF funding in the area of \$1.3 billion, Congress rejected the Bush administration's recommendation for funding a new program of grants for coping with problems related to combined sewer overflows (CSOs).

Under that plan, which was pushed strongly by the Environmental Protection Agency (EPA), the CSO money effectively would have been taken from the Clean Water SRF funding, which the administration proposed to reduce to \$850 million.

That arrangement drew strong congressional opposition and led to the defeat of the recommendation on the combined-sewer funds.

The House Appropriations Committee said in a report accompanying its spending recommendations for EPA: "While the committee recognizes the severe CSO problems faced by communities in several areas, the proposal would have greatly reduced funds available to the Clean Water SRF program and would have provided grant funds to states that have priorities other than CSO problems."

Sen. Christopher Bond, R-Mo., ranking minority member on the Senate Appropriations subcommittee on the EPA budget, said in debate, "The Clean Water and Drinking Water State Revolving Funds are key to building and rebuilding our nation's water infrastructure system and should not be compromised."

House Panel Calls for Financing Review

The House Appropriations Committee's report on EPA funding "strongly urges" the agency to establish a high-level, broadly based panel to recommend ways to give states flexibility in using federal funds to deal with wastewater problems while ensuring that such spending achieves maximum benefits. Such recommendations by the congressional committee that controls an agency's funding generally are viewed by the agency as a mandate.

Noting that the federal government funds only part of wastewater infrastructure and that states want great substantial flexibility in directing federal money to areas of greatest needs, the committee

said that states also recognized that "they must be held accountable to the goals" of the various federal laws on wastewater treatment.

The proposed panel would include representatives of the State/EPA SRF Work Group, the Environmental Council of the States, Environmental Finance Centers and various stakeholder groups.

The issues it will address include the adequacy of the SRF and other assistance programs in achieving maximum water quality protection, the environmental impact of the priority ranking systems that states use to prioritize treatment-works projects, whether alternatives to treatment plants and collection systems should be eligible for federal assistance and whether sufficient performance and information systems have been developed to assure that states will spend future federal assistance wisely.

The committee set May 15, 2002, as the deadline for the new working group to submit a report to Congress on those and other relevant issues.

EPA Sets Cost Estimate on TMDLs

Implementing the Total Maximum Daily Loads (TMDL) program under the Clean Water Act could cost between \$900 million and \$4.3 billion dollars per year, EPA reports.

Preimplementation costs including data gathering and development of cleanup plans for each of the nation's 20,000 impaired waters could add another \$86 million annually, or \$1.2 billion over 15 years, the agency said.

While noting that the \$4.3-billion, high-end estimate was an "unlikely, worst-case scenario," EPA said it still represented "a fraction of current national expenditures for clean water."

The figures are contained in an EPA report on which public comment is now being sought as part of what agency Administrator Christie Whitman calls "a consensus-building process" on the issue.

While the Clinton-administration EPA issued a rule calling for a major expansion of the TMDL program, effective this month, Whitman plans to advance the effective date 18 months pending her review of cost and science factors the previous administration used in formulating its plan.

Programs based on this concept set specific limits on the amounts and types of pollutants that can be discharged into various types of water bodies. The programs apply to both point and nonpoint sources of pollution.

EPA Sets Pilot Project on UST Sites

EPA is offering \$4 million to help states eliminate contamination from leaking underground storage tanks. The money will finance pilot projects dealing with contamination caused by leaks from underground petroleum tanks at what are now abandoned or underused industrial and commercial properties. Grants will be made on a competitive basis. ■