RECOVERY ACT: PROGRESS REPORT ON WATER RESOURCES INFRASTRUCTURE INVESTMENT

(111–75)

HEARING

BEFORE THE

SUBCOMMITTEE ON
WATER RESOURCES AND ENVIRONMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

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U.S. House of Representatives
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Washington, DC 20515

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Ranking Republican Member

James W. Coon II, Republican Chief of Staff

November 3, 2009

SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Water Resources and Environment

FROM: Committee on Transportation and Infrastructure Staff

SUBJECT: Hearing on "Recovery Act: Progress Report on Water Resources Infrastructure Investment"

PURPOSE OF HEARING

The Subcommittee on Water Resources and Environment will meet on Wednesday, November 4, 2009, at 10:00 a.m., in room 2167 of the Rayburn House Office Building to examine progress to date on implementing the American Recovery and Reinvestment Act (P.L. 111-5) (Recovery Act). The hearing will primarily address programs administered by the Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers (Corps).

BACKGROUND

State of the Economy

According to the Bureau of Labor Statistics (BLS), as of September 2009,[1] there are 15.1 million unemployed persons in the United States, for all sectors of the economy combined. In addition, when part-time and discouraged workers who want full-time jobs are included, the number of unemployed/under-employed workers increases to 26.5 million.

The unemployment rate in September 2009 was 9.8 percent. When part-time and discouraged workers who want full-time jobs are included, the unemployment rate is 17.0 percent.

The construction sector has been particularly hard-hit. It has lost 1,485,000 jobs since the recession began in December 2007. The unemployment rate in construction was 17.1 percent in

[1] The latest month for which data is available.

September 2009 – up 7.2 points since September 2008. This is the highest unemployment rate of any industrial sector. As of September 2009, there are 1,594,000 unemployed construction workers in the nation. Within the overall construction sector, seasonally adjusted employment in heavy and civil engineering construction[2] has fallen by 169,800 since the recession began in December 2007.

However, the number of unemployed construction workers has decreased by 431,000 since February 2009. The unemployment rate for construction workers has also dropped by 4.3 percent during that time period.

With this urgent need for jobs as the backdrop, Federal agencies and State and local governments are working together to implement the Recovery Act, to create and sustain family-wage jobs now and, at the same time, address the nation's long-term transportation investment needs.

Recovery Act

On February 17, 2009, the Recovery Act was signed into law. The Act provides $9.86 billion for water resources infrastructure investment, within the jurisdiction of the Committee on Transportation and Infrastructure, including:[3]

Environmental Protection Agency ($4.7 billion)

- $4 billion for Clean Water State Revolving Fund (SRF) loans and grants;
- $600 million for Superfund cleanup; and
- $100 million for Brownfields grants.

U.S. Army Corps of Engineers ($4.6 billion)

- $2 billion for Construction;
- $2.075 billion for Operation and Maintenance;
- $375 million for Mississippi Rivers and Tributaries;
- $100 million for Formerly Utilized Sites Remedial Action;
- $25 million for Investigations; and
- $25 million for the Regulatory Program.

I. Implementation Highlights

Environmental Protection Agency

- EPA has committed nearly $4.6 billion for Recovery Act projects, representing 98 percent of the total amount of Recovery Act funds allocated to EPA.

[2] This term includes highway, street, and bridge construction; utility system construction; land subdivision construction; and other heavy and civil engineering construction.

[3] The Recovery Act also provides $290 million for Watershed and Flood Prevention Operations and $50 million for the Watershed Rehabilitation Program. The Natural Resources Conservative Service implements both these programs. The Recovery Act also provides $220 million for the International Boundary and Water Commission.

Clean Water SRF

- Of the $4 billion in Recovery Act funds provided for the Clean Water SRF, EPA has awarded $3.98 billion in capitalization grants to States, representing nearly 100 percent of the total apportionment. These funds are assisting in the construction, rehabilitation, and modernization of the nation's wastewater infrastructure;

- 873 Clean Water SRF projects in 43 States have been put out to bid, totaling $1.8 billion,[4] representing 48 percent of the total available formula funds for wastewater infrastructure;

- 530 Clean Water SRF projects in 40 States are under contract, totaling $1.1 billion, representing 30 percent of the total available formula funds;

- Work has begun on 394 projects in 36 States, totaling $872 million, representing 23 percent of the total available formula funds; and

- Since April 2009, EPA has published three nationwide waivers of the Buy American provisions for projects funded under the Recovery Act. EPA has also granted 17 regional waivers of the Buy American provisions of the Recovery Act for individual projects. For more information, please see pages 29-30 of the attached report, entitled *The American Recovery and Reinvestment Act of 2009, Transportation and Infrastructure Provisions Implementation Status as of October 16, 2009.*

Superfund

- Of the $600 million apportioned for Superfund cleanup, EPA has provided $573 million to existing contracts for 56 projects in 28 States. This represents 96 percent of the apportionment for Superfund cleanup.

Brownfields

- Of the $100 million apportioned for Brownfields grants, EPA has awarded grants or provided funds for existing grants or contracts worth $79 million for 176 Brownfields projects in 39 States. This represents 79 percent of the apportionment for Brownfields grants.

U.S. Corps of Engineers

- The Corps has committed nearly $2.3 billion for 744 Recovery Act projects in 49 States, Puerto Rico, and the District of Columbia, representing 48 percent of the total amount of Recovery Act funds allocated to the Corps. This includes $2 billion

[4] Ten days after the Recovery Act was signed into law, the Committee requested transparency and accountability information directly from States, metropolitan planning organizations, and public transit agencies, on their use of transportation and environmental infrastructure formula funds, including the Clean Water SRF.

for new contracts and new work orders against existing contracts.

Construction Program

- Of the $2 billion apportioned for the Construction program, the Corps has committed $717 million for 132 projects. This represents 36 percent of the apportionment for this program.

Operation and Maintenance Program

- Of the $2.075 billion apportioned for the Operation and Maintenance program, the Corps has committed $1.3 billion for 515 projects. This represents 62 percent of the apportionment for this program.

Mississippi River and Tributaries Program

- Of the $375 million apportioned for the Mississippi River and Tributaries program, the Corps has committed $165 million for 36 projects. This represents 44 percent of the apportionment for this program.

Formerly Utilized Remedial Action Program

- Of the $100 million apportioned for the Formerly Utilized Remedial Action program, the Corps has committed $59 million for eight projects. This represents 59 percent of the apportionment for this program.

Investigations Program

- Of the $25 million apportioned for the Investigations program, the Corps has committed $15 million for 48 projects. This represents 61 percent of the apportionment for this program.

Regulatory Program

- Of the $25 million apportioned for the Regulatory Program, the Corps has committed $8 million for five projects. This represents 31 percent of the apportionment for this program.

For additional information, see the attached report.

II. Additional Transparency and Accountability Information

Project Data

The Committee requested that Federal agencies implementing programs receiving Recovery Act funds under the Committee's jurisdiction submit a specific list of announced Recovery Act projects, as of October 16, 2009.

Of the $64.1 billion provided for both transportation and non-transportation programs under the Recovery Act, Federal, State, and local agencies administering programs within the Committee's jurisdiction have announced 13,319 transportation and other infrastructure projects totaling $42.5 billion, representing 66 percent of the total available funds. Within this total, States and agencies have obligated $36.4 billion for 12,866 projects, representing 57 percent of the available funds.

To download a complete list of projects, please visit the Transparency and Accountability section of the Committee's website at: http://transportation.house.gov/, and click on "Transparency and Accountability Information by Project (Data Reported as of October 16, 2009)". The list may be searched by State, Congressional District, Federal agency, or program.

Future Reports

The Committee will require Federal agencies, States, metropolitan planning organizations, public transit agencies, and other grant recipients to report regularly to the Committee regarding implementation of the Recovery Act.

WITNESSES

The Honorable Craig E. Hooks
Assistant Administrator
Office of Administration and Resources Management
U.S. Environmental Protection Agency

The Honorable Jo-Ellen Darcy
Assistant Secretary of the Army
U.S. Army Corps of Engineers

Secretary John Hanger
Pennsylvania Department of Environmental Protection

Mayor L. Ray Nunley
Village of Ruidoso
New Mexico

Mr. Michael Gritzuk
Director
Pima County, Arizona
Regional Wastewater Reclamation Department
representing the National Association of Clean Water Agencies

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

The American Recovery and Reinvestment Act of 2009 Transportation and Infrastructure Provisions Implementation Status as of October 16, 2009

Prepared for

The Honorable James L. Oberstar
Chairman

By the Committee on Transportation and Infrastructure
Majority Staff

For Release on Delivery
November 4, 2009
10:00 a.m.

THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE PROVISIONS

$64.1 BILLION FOR TRANSPORTATION AND INFRASTRUCTURE INVESTMENT

- The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act") provides **$64.1 billion** of infrastructure investment to enhance the safety, security, and efficiency of our highway, transit, rail, aviation, environmental, flood control, inland waterways, public buildings, and maritime transportation infrastructure.

- The $64.1 billion of Federal transportation and infrastructure investment will **create or sustain more than 1.8 million jobs and $323 billion of economic activity**.

- Specifically, **the Recovery Act provides**:

  - **Highways and Bridges: $27.5 billion**
    including Federal-aid Highway formula ($26.8 billion), Indian Reservation Roads ($310 million), National Park Roads ($170 million), Forest Roads ($60 million), Refuge Roads ($10 million), Ferry Boats and Ferry Terminal facilities ($60 million), On-the-Job Training ($20 million), and Disadvantaged Business Enterprise bonding assistance ($20 million)

  - **Transit: $8.4 billion**
    including Transit Urban and Rural formula ($6.8 billion), Transit Greenhouse Gas and Energy Reduction program ($100 million), Fixed Guideway Modernization formula ($750 million), and New Starts grants ($750 million)

  - **Rail: $9.3 billion**
    including High-speed Rail and Intercity Passenger Rail grants ($8 billion), Amtrak Capital grants ($850 million), and Amtrak Safety and Security grants ($450 million)

  - **Surface Transportation: $1.5 billion**
    including highway, bridge, public transit, intercity passenger rail, freight rail, and port infrastructure grants

  - **Aviation: $1.3 billion**
    including Airport Improvement Program ($1.1 billion) and Federal Aviation Administration Facilities and Equipment ($200 million)

TRANSPORTATION AND INFRASTRUCTURE INVESTMENT CONTINUED

- **Environmental Infrastructure: $5.26 billion**
  including Clean Water State Revolving Fund loans and grants ($4 billion), Superfund cleanups ($600 million), Brownfields grants ($100 million), Watershed and Flood Prevention Operations ($290 million), Watershed Rehabilitation Program ($50 million), and International Boundary and Water Commission ($220 million)

- **U.S. Army Corps of Engineers: $4.6 billion**
  including Construction ($2 billion), Operation and Maintenance ($2.075 billion), Mississippi Rivers and Tributaries ($375 million), Formerly Utilized Sites Remedial Action Program ($100 million), Investigations ($25 million), and Regulatory Program ($25 million)

- **Federal Buildings: $5.575 billion**
  including High-Performance Green Federal buildings ($4.5 billion), repair, alteration, and construction of Federal buildings and courthouses ($750 million) and border stations and land ports of entry ($300 million), and Smithsonian Institution ($25 million)

- **Economic Development Administration: $150 million**
  including Economic Adjustment grants ($50 million) and Regional Economic Development Commissions (up to $50 million)

- **Emergency Management: $210 million**
  including Firefighter Assistance grants to construct non-Federal fire stations ($210 million)

- **Coast Guard: $240 million**
  including Bridge Alterations ($142 million) and construction of shore facilities and aid-to-navigation facilities and repair of vessels ($98 million)

- **Maritime Administration: $100 million**
  including Small Shipyard grants ($100 million)

- The Recovery Act generally **requires these funds to be invested in ready-to-go projects.** Section 1602 of the Recovery Act requires States and other grant recipients to give preference to projects that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for projects that can be initiated not later than 120 days (June 17, 2009) after the date of enactment.[1] In addition, several transportation programs have specific deadlines to invest a percentage of the funds. For example, for Federal-aid Highway formula funds, 50 percent of state-administered funds must be obligated within 120 days (June 30, 2009) of the date of apportionment and all funds must be obligated within one year (March 2, 2010) of the date of apportionment. For transit formula grants, 50 percent of funds must be obligated within 180 days (September 1, 2009) of the date of apportionment and all funds must be obligated within one year (March 5, 2010) of the date of apportionment.

- The Recovery Act **creates green collar jobs and invests in projects that decrease our dependence on foreign oil and address global climate change**. It provides $4.5 billion for High-Performance Green Federal buildings to fund projects that incorporate energy and water conservation elements, such as installing photovoltaic roofs and geothermal technology. In addition, the Recovery Act provides a significant investment in public transit, high-speed rail, intercity rail, and Amtrak projects to provide alternatives to traveling by car, and help public transit and intercity passenger rail providers increase the percentage of their fleets that are alternative fuel vehicles. Finally, the Recovery Act directs that 20 percent of each State's Clean Water State Revolving Fund allotment be used for investments in energy and water efficient techniques and technologies (i.e., green infrastructure).

- The Recovery Act **requires the steel, iron, and manufactured goods for these projects to be produced in the United States.**[2]

- The Recovery Act **creates family-wage construction and manufacturing jobs.**[3]

- The Recovery Act **requires the Governor of each State to certify that:**

  - **the State will request and use funds provided by the Recovery Act and the funds will be used to create jobs and promote economic growth;**[4]

  - **the State will maintain its effort with regard to State funding for transportation projects;**[5] **and**

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[1] American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, § 1602 (2009).
[2] *Id.* § 1605.
[3] *Id.* § 1606. The Recovery Act requires all laborers and mechanics employed by contractors on projects funded by this Act to be paid prevailing wages. *Id.*
[4] *Id.* § 1607. The Governor shall make this certification within 45 days (April 3, 2009) of the date of enactment. If the Governor does not make such certification, the State legislature may accept the funds. *Id.*

- **the Governor accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars.**[6]

➢ Finally, the Recovery Act **ensures transparency and accountability by including regular reporting requirements to track the use of the funds, State investments, and the estimated number of jobs created or sustained. This information will be publicly available through Recovery.gov.** Pursuant to section 1512 of the Act, States and other direct grant recipients will provide quarterly reports (beginning October 10, 2009) to the Federal agency that provided the funds on the total amount of recovery funds received; the amount of such funds that were expended or obligated; a detailed list of all projects or activities for which recovery funds were expended or obligated, including the name and description of the project, an evaluation of the completion status of the project, and an estimate of the number of jobs created or sustained by the project; and, for infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment. Each Federal agency receiving these quarterly reports will make the information publicly available by posting the information on a website.[7]

➢ Section 1201 of the Recovery Act **requires additional reporting requirements for funds administered by the U.S. Department of Transportation.** Under this provision, each State and other grant recipient shall submit periodic reports to the U.S. Department of Transportation on the use of Recovery Act funds provided for highway, public transit, rail, surface transportation, airport, and maritime programs. The States and other grant recipients will report:

- the amount of Federal funds obligated and outlayed;
- the number of projects that have been put out to bid, and the amount of Federal funds associated with such projects;
- the number of projects for which contracts have been awarded, and the amount of Federal funds associated with such projects;
- the number of projects for which work has begun under such contracts and the amount of Federal funds associated with such contracts;
- the number of projects for which work has been completed under such contracts and the amount of Federal funds associated with such contracts;

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[5] *Id.* § 1201. The certification shall include a statement identifying the amount of funds the State planned to expend from State sources as of the date of enactment during the period from the date of enactment through September 30, 2010. *Id.*

[6] *Id.* § 1201. The certification shall include a description of the investment, the estimated total cost, and the amount of covered funds to be used, and shall be posted on a website and linked to the Recovery.gov website. *Id.*

[7] *Id.* § 1512.

- the number of direct, on-project jobs created or sustained by the Federal funds provided and, to the extent possible, the estimated indirect jobs created or sustained in the associated supplying industries, including the number of job-years created and the total increase in employment since the date of enactment; and

- information tracking the actual aggregate expenditures by each grant recipient from State sources for projects eligible for funding under the program during the period from the date of enactment through September 30, 2010, compared to the level of expenditures that were planned to occur during such period as of the date of enactment.

The first periodic report is due not later than 90 days (May 18, 2009) after the date of enactment, and subsequent reports are due not later than 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act.[8]

READY-TO-GO INFRASTRUCTURE INVESTMENTS

➢ While certain infrastructure projects may require years of engineering and environmental analysis, followed by a lengthy contract award process, a subset of projects – such as projects involving rehabilitation and repair of existing infrastructure – can move much more quickly, with work beginning within 90 to 120 days.[9]

➢ The Recovery Act requires funds to be invested in ready-to-go projects. Priority will be given to projects that can be started and completed quickly.[10] For instance, State Departments of Transportation (DOTs) have a tremendous backlog of highway resurfacing needs. State DOTs often have open-ended contracts in place for resurfacing projects, which means that work could begin immediately upon receipt of additional funds. Similarly, many State DOTs have bridge deck overlay projects, in which the top two or three inches of concrete on the surface of the bridge (e.g., the deck) is replaced, which are ready-to-go.

➢ Even before the U.S. Department of Transportation apportioned formula funds to States, cities, and public transit agencies, State DOTs put out bids (typically for a period of 30 days) for ready-to-go projects. After receipt of the bids and contract award, work can begin on the project within an additional 30 days. **In this way, the Recovery Act has "put shovels in the ground" within 90 to 120 days of the date of enactment.**

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[8] *Id.* § 1201.

[9] The Federal Highway Administration's "August redistribution" of highway funds illustrates the ability of States to obligate additional funds quickly when they become available. In August of each year, States that cannot use their entire obligation authority return the unused authority to the Federal Highway Administration, which then redistributes it to States that can use the funds prior to the end of the fiscal year on September 30.

[10] *See id.* § 1602.

ECONOMIC IMPACT: **MORE THAN 1.8 MILLION JOBS AND $323 BILLION OF ECONOMIC ACTIVITY**

- The $64.1 billion of Federal infrastructure investment will **create or sustain more than 1.8 million jobs and $323 billion of economic activity**. Each $1 billion of Federal funds invested in infrastructure creates or sustains approximately 34,779 jobs and $6.2 billion in economic activity.[11]

- A national survey found that transportation construction contractors hire employees within three weeks of obtaining a project contract. These employees begin receiving paychecks within two weeks of hiring.

- In addition, this infrastructure investment will **increase business productivity** by reducing the costs of producing goods in virtually all industrial sectors of the economy. Increased productivity results in increased demand for labor, capital, and raw materials and generally leads to lower product prices and increased sales.

- This investment will specifically help unemployed construction workers. The construction sector has lost 1,485,000 jobs since the recession began in December 2007. The unemployment rate in construction was 17.1 percent in September 2009 – up 7.2 points since September 2008. This is the highest unemployment rate of any industrial sector. As of September 2009, there were 1,594,000 unemployed construction workers in the nation.

- However, the number of unemployed construction workers has decreased by 431,000 since February 2009. The unemployment rate for construction workers has also dropped by 4.3 percent during that time period.

- A study by a national transportation construction association shows between May and August 2009, the value of new contract awards for highway and bridge projects exceeded that period in 2008 by $4 billion. Furthermore, since May 2009, the value of construction work on transportation projects is up four percent when compared to the same months in 2008.

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[11] These estimates are based on 2007 Federal Highway Administration (FHWA) data on the correlation between highway infrastructure investment and employment and economic activity, and assume a 20 percent State or local matching share of project costs. Some infrastructure programs have slightly higher or lower estimates of the number of jobs created or the economic activity generated per $1 billion of Federal funds invested. To enable easy comparisons among the elements of the bill, this document presumes the FHWA model for employment and economic activity. In the overwhelming majority of cases, the requirement for State or local matching funds would be waived under this proposal. Where appropriate, estimates of employment and economic activity have been adjusted to reflect these match waivers.

- In contrast to the economic stimulus effect from tax cuts, virtually all of the stimulus effect from public infrastructure investment will be felt in the United States. Not only would the construction work be done here, but most transportation construction materials and equipment are manufactured in the United States, as well.[12]

MINORITY-OWNED AND WOMEN-OWNED BUSINESS IMPACT:

- This investment will also help address the disproportionate effect that the increase in unemployment has had on people of color. In September 2009, the rate of unemployment for African Americans was 15.4 percent – 71 percent higher than the rate for whites. The unemployment rate for Hispanic or Latino Americans was 12.7 percent, 41 percent more than the rate for whites.

- Congress has established a national 10 percent aspirational program goal for firms certified as Disadvantaged Business Enterprises ("DBEs"), including minority- and women-owned businesses, with respect to highway, transit, aviation, and other infrastructure programs. As a general rule, States, cities, and infrastructure financing authorities are required to establish an annual DBE participation goal that reflects what DBE participation would be in the absence of discrimination. The DBE program applies to all Recovery Act transportation and infrastructure programs.

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[12] Previous experience with using public infrastructure investment to stimulate the economy can be found with the Public Works Acceleration Act (P.L. 87-658), signed by President Kennedy on September 14, 1962. Under this program, a total investment of $1.8 billion ($880 million Federal investment and $920 million in local investment) generated 250,000 job-years. *See* Public Works Acceleration Act, 42 U.S.C. § 2641 (1962).

HIGHWAYS AND BRIDGES – $27.5 BILLION

Recovery Act:

1. **Provides $26.66 billion in funding for Federal-Aid Highway formula investments.**
2. **Provides $150 million for Puerto Rico and Territorial Highway Programs.**
3. **Provides $550 million for roads on Federal and Indian lands, including $170 million for National Park Roads, $310 million for Indian Reservation Roads, $60 million for Forest Roads, and $10 million for Refuge Roads.**
4. **Provides $60 million for competitive discretionary Ferry Boat capital grants to States.**
5. **Provides $20 million for On-the-Job Training.**
6. **Provides $20 million for Disadvantaged Business Enterprise bonding assistance.**

Distribution: Distributes Federal-aid Highway funds through a hybrid formula to States (50 percent through Surface Transportation Program formula and 50 percent apportioned via the FY 2008 obligation limitation ratio distribution). States must sub-allocate 30 percent of funds to local governments. Distributes National Park, Indian Reservation, Forest, and Refuge Road funds pursuant to existing administrative processes. Of all the funds provided to a State, three percent must be used for transportation enhancements. Formula funds must be apportioned by the Federal Highway Administration (FHWA) within 21 days (March 10, 2009) of the date of enactment.

Additional Uses of Funds: Expands uses to include stormwater runoff, passenger and freight rail, and port infrastructure projects.

Prioritization: Prioritizes funds on projects that could be completed in three years (February 17, 2012) and are in economically distressed areas of the State,[13] except that, for Ferry Boat projects, priority shall be given to projects that can be completed within two years (February 17, 2011) of enactment.

Shovel-Ready Deadlines: Requires 50 percent of the funds apportioned to the States to be obligated within 120 days (June 30, 2009) after the date of apportionment. Funds not obligated in accordance with this requirement will be withdrawn and redistributed to other States that had no funds withdrawn. Funds suballocated to local governments are not subject to the 120-day redistribution. One hundred percent of funds must be obligated within one-year (March 2, 2010) of apportionment. Funds not obligated as of this date will be withdrawn and redistributed to other

[13] On August 24, 2009, DOT released supplemental guidance on the determination of economically distressed areas. For more information, see: http://www.fhwa.dot.gov/economicrecovery/guidancedistressed.htm.

States that had no funds withdrawn. The Secretary of Transportation has authority to provide an extension of the one-year period if a State is experiencing extreme conditions.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FHWA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[14]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[15]

Recovery Act Implementation:

Federal-Aid Highway Formula Investments and Puerto Rico and Territorial Highway Programs ($26.81 billion): Of the funds provided for the highway formula program,[16] in the past eight months, all 50 States, five Territories, and the District of Columbia have submitted and received approval for 8,096 projects totaling $19.7 billion, approximately 73 percent of the Recovery Act highway formula funds. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

All 50 States met the Recovery Act requirement that at least one-half of funds apportioned to the States be obligated within 120 days (June 30, 2009) of the date of apportionment. According to submissions received by the Committee from States, as of September 30, 2009, work has begun on 5,060 projects in all 50 States, three Territories, and the District of Columbia, totaling $12.2 billion. This represents 46 percent of the total available highway formula funds.

The Recovery Act requires Governors, mayors, or chief executive officers to make specific certifications. On April 22, 2009, the Secretary of Transportation sent letters to the Governors of the States, Territories, and District of Columbia, regarding their section 1201 Maintenance of Effort certifications. The letters stated that the Recovery Act does not authorize the use of conditional or qualified certifications. Governors had until May 22, 2009, to amend their certifications, as needed.

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[14] American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, § 1201 (2009).

[15] *Id.* § 1512.

[16] On March 2, 2009, eight days earlier than required by the Recovery Act, FHWA issued Federal-aid Highway formula apportionments to States. These apportionments are summarized on the Committee's website: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930.

DOT reviewed these certifications and determined that all certifications meet the statutory requirements, as to form. FHWA is currently conducting a review of how States determined their planned and actual expenditures. DOT established a website where the agency posts submitted certifications, by State: http://testimony.ost.dot.gov/ARRAcerts/.

Federal and Indian Lands ($550 million): FHWA has awarded $207 million for 97 projects. This represents 38 percent of the total apportionment for Federal and Indian Lands. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

Ferry Boat Capital Grants to States ($60 million): After soliciting grants for 46 days, FHWA, on July 10, 2009, announced $60 million in Ferry Boat capital grants for 29 projects in 19 States and the Virgin Islands.[17] Of these announced projects, FHWA has since approved 2 projects totaling $7.7 million. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

On-the-Job Training ($20 million): FHWA has awarded 17 training grants worth $5.2 million. These grants fund training centers and apprenticeships for underrepresented or disadvantaged people seeking careers in transportation, engineering, or construction. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

Disadvantaged Business Enterprise Bonding Assistance ($20 million): On September 25, 2009, DOT approved the first eligible bonding assistance in the amount of $13,000 for a $979,000 bond issued to a Native American-owned firm in Washington State.[18]

Economic Impact: Creates more than 765,000 jobs and $136 billion of economic activity.

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[17] Prior to awarding these grants, FHWA, on March 30, 2009, issued a solicitation for the Ferry Boat capital grants program. FHWA received 102 applications by the May 15, 2009 deadline.

[18] On August 31, 2009, DOT announced that small and disadvantaged businesses may now apply to be reimbursed for bonding premiums and fees incurred when competing for, or performing on, Recovery Act transportation projects. The Recovery Act created this new program to help small and disadvantaged businesses better compete for Recovery Act transportation funds. Only qualified bonds obtained from August 28, 2009, to September 8, 2010, are eligible for this assistance. Applications are due by September 8, 2010. For more information, see: http://www.dot.gov/recovery/ost/osdbu/index.htm.

TRANSIT – $8.4 BILLION

TRANSIT URBAN AND RURAL FORMULA GRANTS – $6.8 BILLION

Recovery Act: Provides $6.8 billion in transit capital and operating grants for ready-to-go projects, including $5.44 billion using the current transit urban formula, $680 million using the current transit rural formula, and an additional $680 million to both urban and rural areas using the current Growing States and High Density States formula.

Distribution: Distributes transit urban and rural formula funds to States, cities, and public transit agencies pursuant to existing statutory transit formulas under 49 U.S.C. § 5307, 49 U.S.C. § 5311, and 49 U.S.C. § 5340.

Prioritization: Formula funds must be apportioned by FTA within 21 days (March 10, 2009) of enactment.

Shovel-Ready Deadlines: Requires States, cities, and public transit agencies to obligate at least $3.4 billion (50 percent) of these funds within 180 days (September 1, 2009) of the date of apportionment. Funds not obligated in accordance with this requirement will be withdrawn and redistributed to other urbanized areas or States that had no funds withdrawn. One hundred percent of funds must be obligated within one-year (March 5, 2010) of apportionment. Funds not obligated as of this date will be withdrawn and redistributed to other urbanized areas or states that had no funds withdrawn. The Secretary of Transportation has authority to provide an extension of the one-year period if a State or urbanized area has encountered an unworkable bidding environment or other extenuating circumstances.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[19]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and

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[19] *Id.* § 1201.

obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[20]

Recovery Act Implementation: Of the $6.8 billion provided for transit urban and rural formula grants,[21] FTA has awarded $6 billion for 629 projects in all 50 States, four Territories, and the District of Columbia. This represents 88 percent of the total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

All States, cities, and public transit agencies met the Recovery Act requirement that at least one-half of funds apportioned be obligated within 180 days (September 1, 2009) of the date of apportionment.

FTA has also received $248 million in 27 transfers from FHWA. Transfers occur when States and local authorities choose to use their Recovery Act highway funds for transit projects in their respective locale.

Economic Impact: Creates more than 189,000 jobs and $34 billion of economic activity.

TRANSIT GREENHOUSE GAS AND ENERGY REDUCTION FUNDING – $100 MILLION

Recovery Act: Provides $100 million of discretionary transit capital grants to public transit agencies to reduce energy consumption or greenhouse gas emissions of their public transportation systems.

Distribution: Distributes transit energy funds to public transit agencies as discretionary grants.

Prioritization: Prioritizes funds for projects based on the total energy savings that are projected to result from the investment, and projected energy savings as a percentage of the total energy usage of the public transit agency.

Shovel-Ready Deadlines: Requires public transit agencies to obligate at least 50 percent of these funds within 180 days (September 1, 2009) of the date of allocation. Requires public transit agencies to obligate all of the funds within one year (March 5, 2009) of the date of allocation. The Secretary of Transportation may provide an extension of time if a city or State has encountered an unworkable bidding environment or other extenuating circumstances.

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[20] *Id.* § 1512.

[21] On March 5, 2009, FTA issued public transit urban and rural formula funds apportionments to States and public transit agencies. These apportionments are summarized on the Committee's website: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[22]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[23]

Recovery Act Implementation: After reviewing proposals requesting nearly $2 billion in Transit Investments for Greenhouse Gas and Energy Reduction Grants (TIGGER Program),[24] FTA, on September 21, 2009, announced 43 grants in 27 States, totaling the entire $100 million in available funding. FTA plans to soon begin awarding TIGGER grants.

Economic Impact: Creates approximately 2,800 jobs and $500 million of economic activity.

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[22] *Id.* § 1201.
[23] *Id.* § 1512.
[24] On March 24, 2009, FTA issued notice in the Federal Register soliciting proposals for this program. Proposals were due by May 22, 2009.

FIXED GUIDEWAY INFRASTRUCTURE INVESTMENT – $750 MILLION

Recovery Act: Provides $750 million for transit fixed guideway modernization projects.

Distribution: Distributes funds through the existing fixed guideway modernization formula.

Prioritization: Formula funds must be apportioned by FTA within 21 days (March 10, 2009) of enactment.

Shovel-Ready Deadlines: Requires public transit agencies to obligate at least $375 million (50 percent) of these funds within 180 days (September 1, 2009) of the date of apportionment. Requires public transit agencies to obligate all of the funding within one year (March 5, 2010) of the date of apportionment. The Secretary of Transportation may provide an extension of time if a city or State has encountered an unworkable bidding environment or other extenuating circumstances.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[25]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[26]

Recovery Act Implementation: Of the funds provided for fixed guideway modernization projects,[27] FTA has awarded 47 grants worth $738 million in 28 States, Puerto Rico, and the District of Columbia. This represents 98 percent of the total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

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[25] *Id.* § 1201.
[26] *Id.* § 1512.
[27] On March 5, 2009, FTA announced the allocation of these formula funds. These apportionments are summarized on the Committee's website: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930.

All States, cities, and public transit agencies met the Recovery Act requirement that at least one-half of funds apportioned be obligated within 180 days (September 1, 2009) of the date of apportionment.

Economic Impact: Creates approximately 20,900 jobs and $3.7 billion of economic activity.

TRANSIT NEW STARTS CONSTRUCTION – $750 MILLION

Recovery Act: Provides $750 million in transit capital grants for New Starts construction projects.

Distribution: Distributes New Starts project construction funds to public transit agencies pursuant to existing authority under SAFETEA-LU, FTA Full Funding Grant Agreements, and FTA Project Construction Grant Agreements. FTA would determine the distribution of funds through its existing competitive process.

Prioritization: Prioritizes funds on projects that are currently in construction or are able to obligate funds within 150 days (July 16, 2009) of enactment.

Shovel-Ready Deadlines: FTA must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[28]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[29]

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[28] *Id.* § 1201.
[29] *Id.* § 1512.

Recovery Act Implementation: FTA has awarded nine grants totaling $468 million.[30] This represents 62 percent of the total available funding. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

Economic Impact: Creates more than 50,000 jobs and $9 billion of economic activity. Furthermore, the additional $750 million of New Starts funding will make available an additional $1.5 billion of contingent commitment authority to enable FTA to sign more New Starts funding agreements for future transit construction projects.

[30] On May 11, 2009, FTA announced the allocation of New Starts funding.

RAIL – $9.3 BILLION

Recovery Act:

1. **Provides $1.3 billion for capital grants to Amtrak, of which $450 million shall be used by Amtrak for safety and security improvements.**

2. **Provides $8 billion for high-speed rail, intercity passenger rail, and congestion capital grants to States.**

Distribution: Distributes $1.3 billion of capital grants to Amtrak; distributes $8 billion of high-speed rail, intercity passenger rail, and congestion grants to States on a competitive basis to pay for the cost of capital projects, as provided for in section 501 of the Passenger Rail Investment and Improvement Act of 2008 (Division B of P.L. 110-432) and chapter 244 of Title 49, United States Code.

Prioritization: For capital grants to Amtrak, priority shall be given to projects for the repair, rehabilitation, or upgrade of railroad assets or infrastructure, and for capital projects that expand passenger rail capacity, including the rehabilitation of rolling stock. For high-speed rail, intercity passenger rail, and congestion grants, priority shall be given to projects that support the development of high-speed rail service.

Shovel-Ready Deadlines: For capital grants to Amtrak, the Secretary shall ensure that projects funded with economic recovery funds provided to Amtrak shall be completed within two years (February 17, 2011) of enactment. 100 percent of the funds must be obligated by September 30, 2010. For high-speed rail, intercity passenger rail, and congestion grants, 100 percent of the funds must be obligated by September 30, 2012.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the Federal Railroad Administration (FRA) on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[31]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each

[31] *Id.* § 1201.

calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[32]

Recovery Act Implementation:

Amtrak ($1.3 billion): Since FRA executed a grant agreement with Amtrak for $1.3 billion (for approximately 700 projects),[33] Amtrak has awarded $512 million in contracts for 334 projects, as of September 30, 2009. This represents 39 percent of the total available funding. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

High-Speed Rail and Intercity Passenger Rail Grant Programs ($8 billion): Applications for "ready-to-go" projects, future service planning activities, and appropriations-funded projects were due by August 24, 2009. FRA received 214 applications from 34 States totaling $7 billion for these projects.

Applications for new high-speed rail service development programs were due by October 2, 2009. FRA received 45 applications from 24 States totaling $50 billion to advance these programs.

FRA plans to announce awards during the winter of 2009/2010.[34] Preference will be given to projects that, "Improve transportation mobility, options, service, convenience, safety and efficiency; Promote economic recovery and development, particularly in economically-distressed regions and communities through job creation and revitalization of industrial manufacturing capacity; Yield other public benefits and return on investment, including improved energy efficiency and independence, environmental quality, and livable communities; Ensure project success through effective project management, financial planning, and sustainable regional cooperation and partnerships; Achieve balance among and between different types of projects, geographic regions, technological innovations, and timeliness of project completion; Effectively leverage local, state, private sector and railroad resources and investments."[35]

To view a national map showing the designated high-speed rail corridors, see: http://transportation.house.gov/Media/file/Full%20Committee/Stimulus/Designated%20HSR%20Corridors%20at%20101905b%20(2).pdf.

To read descriptions of designated high-speed rail corridors, see: http://transportation.house.gov/Media/file/Full%20Committee/Stimulus/High%20Speed%20Rail%20Corridor%20Descriptions.pdf.

Economic Impact: Creates approximately 259,000 jobs and $46 billion of economic activity.

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[32] *Id.* § 1512.

[33] On March 19, 2009, FRA executed this grant agreement with Amtrak.

[34] Prior to the application deadline, FRA received 278 pre-applications totaling $103 billion. The pre-application process helped FRA identify possible ineligible projects and allowed potential applicants to receive feedback prior to submitting final applications. States, groups of States, interstate compacts, and public agencies established by one or more States may apply for capital improvements grant funding.

[35] On June 23, 2009, FRA issued interim guidance on the high-speed intercity passenger rail program.

NATIONAL SURFACE TRANSPORTATION SYSTEM DISCRETIONARY GRANTS - $1.5 BILLION

The Recovery Act: Provides $1.5 billion to the Secretary of Transportation to make competitive discretionary grants for surface transportation projects that will have a significant impact on the Nation, a metropolitan area, or a region. Projects eligible for funding under this program include highway or bridge projects eligible under title 23, U.S.C.; public transportation projects eligible under chapter 53 of title 49, U.S.C., including investments in projects participating in the New Starts or Small Starts programs that will expedite the completion of those projects; passenger and freight rail transportation projects; and port infrastructure investments, including projects that connect ports to other modes of transportation and improve the efficiency of freight movement. The Secretary may use up to $200 million of the $1.5 billion to provide credit assistance to projects under the Transportation Infrastructure Finance and Innovation Act ("TIFIA") program.

Distribution: The Secretary of Transportation shall award discretionary grants to State and local governments or transit agencies based on project selection criteria to be published not later than 90 days (May 18, 2009) after the date of enactment. A grant funded under this program shall be not less than $20 million and not more than $300 million, although the Secretary may waive the minimum grant size for the purpose of funding significant projects in smaller cities, regions, or States. Not more than 20 percent of the funds under this program may be awarded to projects in a single State. The Secretary shall ensure an equitable geographic distribution of funds and an appropriate balance in addressing the needs of urban and rural communities.

Prioritization: Prioritizes funds on projects that require a contribution of Federal funds in order to complete an overall financing package, and to projects that are expected to be completed within three years (February 17, 2012) of the date of enactment.

Shovel-Ready Deadlines: Grant applications must be submitted not later than 180 days (November 14, 2009) after the publication of project selection criteria. The Secretary shall announce all projects selected for funding not later than one year (February 17, 2010) after the date of enactment.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the Office of the Secretary of Transportation (OST) on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[36]

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[36] *Id.* § 1201.

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[37]

Recovery Act Implementation: Applications for the Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants program were due by September 15, 2009.[38] DOT received 1,380 applications from all 50 States, three Territories, and the District of Columbia, totaling $56.5 billion.[39] Of that $56.5 billion, DOT received applications according to the following categories:

- Highways: $31.8 billion (56 percent of total amount requested)
- Transit: $10.6 billion (19 percent of total amount requested)
- Rail: $5.8 billion (10 percent of total amount requested)
- Ports: $3.3 billion (six percent of total amount requested)
- Other: $5.1 billion (nine percent of total amount requested))

Secretary LaHood expects to announce TIGER grants in January 2010, a full month ahead of the statutory deadline.

Eligible projects include "capital investments in: (1) highway or bridge projects; (2) public transportation projects; (3) passenger and freight rail transportation projects; and (4) port infrastructure investments, including projects that connect ports to other modes of transportation and improve the efficiency of freight movement." Selection criteria include contributing to the medium- to long-term economic competitiveness of the nation and improving the condition of existing transportation facilities and systems, the quality of living and working environments through livable communities, energy efficiency and reducing greenhouse gas emissions, and the safety of U.S. transportation facilities. The Department plans to give priority to projects that are expected to quickly create and preserve jobs and stimulate rapid increases in economic activity, particularly projects that will benefit economically distressed areas.

Economic Impact: Creates more than 41,000 jobs and $7 billion of economic activity.

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[37] *Id.* § 1512.

[38] On May 18, 2009, the Department of Transportation published a notice of funding availability and solicitation of applications from applicants seeking grants.

[39] State and local governments, including Territories, tribal governments, transit agencies, port authorities, and other political divisions of State or local governments, and multi-State or multi-jurisdictional applicants are eligible to apply.

AVIATION – $1.3 BILLION

AIRPORT IMPROVEMENT PROGRAM – $1.1 BILLION

Recovery Act: Provides $1.1 billion for airport capital improvements through the Airport Improvement Program (AIP).

Distribution: Distributes funds to airports through the existing AIP Discretionary Grants program. The Federal Aviation Administration (FAA) will determine the distribution of funds through its existing competitive process and national priority system.

Prioritization: Prioritizes funds on projects that can be completed within two years (February 17, 2011) of enactment, and serve to supplement and not supplant planned expenditures from airport-generated revenues or from other State and local funding sources.

Shovel-Ready Deadlines: The Secretary shall award grants totaling not less than 50 percent of the $1.1 billion within 120 days (June 17, 2009) of the date of enactment, and award grants for the remaining amounts not later than one year (February 17, 2010) after the date of enactment.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the FAA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[40]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[41]

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[40] *Id.* § 1201.
[41] *Id.* § 1512.

Recovery Act Implementation: Work is underway on 330 AIP projects across the nation, worth nearly $1.1 billion. This represents almost 100 percent of the total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852

Economic Impact: Creates approximately 30,600 jobs and $5.5 billion of economic activity.

FAA FACILITIES & EQUIPMENT – $200 MILLION

Recovery Act: Provides $200 million for capital improvements to the FAA facilities.

Distribution: Funds may be distributed through the FAA's existing administrative processes or in the form of grants. Within 60 days (April 17, 2009) of the date of enactment, the FAA Administrator shall establish a procedure for applying for grants under this program, reviewing such applications, and awarding grants and cooperative and other transaction agreements under this program.

Prioritization: Prioritizes funds on projects that will be completed within two years (February 17, 2011) of the date of enactment.

Shovel-Ready Deadlines: The FAA must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the FAA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[42]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[43]

Recovery Act Implementation: The FAA has signed contracts for and work is underway on 284 Facilities and Equipment projects totaling $103 million. This represents 51 percent of the total apportionment. The FAA plans to have signed contracts for all funds by July 2010. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

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[42] *Id.* § 1201.
[43] *Id.* § 1512.

The FAA plans to use Recovery Act funds to:

- upgrade power systems at 90 sites ($50 million);
- modernize 18 air route traffic control centers ($50 million);
- replace three air traffic control towers and terminal radar approach control facilities ($80 million); and
- improve lighting, navigation, and landing equipment at 145 sites ($20 million).

Economic Impact: Creates approximately 5,600 jobs and $990 million of economic activity.

ENVIRONMENTAL INFRASTRUCTURE – $5.26 BILLON

CLEAN WATER STATE REVOLVING FUND – $4 BILLION

Recovery Act: Provides an additional $4 billion to construct, rehabilitate, and modernize the nation's wastewater infrastructure through the Clean Water State Revolving Fund (SRF) program. Within the existing Clean Water SRF allocation to States, direct individual State infrastructure financing authorities to: (1) utilize 50 percent of the capitalization grants for additional subsidizations in the form of negative interest loans, principle subsidization, or grants; and (2) utilize 20 percent of the capitalization grant for investment in green infrastructure projects, environmentally innovative activities, or projects or technologies that use energy and water efficient plans or components.

Distribution: Distributes $4 billion for the Clean Water SRF pursuant to the existing Clean Water Act distribution formula.

Under the Recovery Act, State infrastructure financing authorities are required to utilize 50 percent of the capitalization grant for additional subsidizations in the form of negative interest loans, principal forgiveness, or grants to increase the overall affordability of wastewater infrastructure projects.

In addition, the Recovery Act requires State infrastructure financing authorities to utilize 20 percent of the capitalization grant for investment in green infrastructure projects, water or energy efficiency improvements, or environmentally innovative activities.

Prioritization: Notwithstanding the priority rankings projects would otherwise receive under the program, prioritizes economic recovery funds on projects on a State priority list that are ready to proceed to construction within 12 months (February 17, 2010) of enactment.

Shovel-Ready Deadlines: Requires State infrastructure financing authorities to award contracts for projects or proceed to construction within one year (February 17, 2010) of the date of enactment. Funds for projects not under contract or under construction within one year will be withdrawn by the Environmental Protection Agency (EPA) Administrator and reallocated among the remaining States.

Transparency and Accountability Requirements: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days (March 19, 2009) of enactment of the Recovery Act. EPA must submit a report containing detailed project level information associated with the general plan within 90 days (May 18, 2009) of enactment of the Recovery Act.[44]

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[44] *Id.* § 701.

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[45]

Recovery Act Implementation: Of the $4 billion in Recovery Act funds apportioned for the Clean Water SRF,[46] EPA has awarded $3.98 billion in capitalization grants to States, representing almost 100 percent of the total apportionment. Forty-three States have put out to bid 873 Clean Water SRF projects totaling $1.8 billion, as of September 30, 2009. This represents 48 percent of the available funds.

EPA and the Obama Administration have taken the following steps to implement the Clean Water SRF and ensure recipients comply with the Buy American provision of the Recovery Act:

On April 3, 2009, the Office of Management and Budget (OMB) released initial administrative guidance for the implementation of the Recovery Act, including guidance for the implementation of the Buy American provision of section 1605 of the Recovery Act. This guidance document provides additional details on how Federal agencies, including EPA, should interpret the Buy American provision, and how such provision should be interpreted by the individual States that receive capitalization grants for the Clean Water SRF under the Recovery Act.

On April 29, 2009, EPA's Office of Wastewater Management and Ground Water and Drink Water issued additional guidance on the implementation of the Buy American provisions for wastewater infrastructure. This guidance document provides a specific, step-by-step process for obtaining a waiver of the Buy American provision of the Recovery Act in instances where EPA determines that "(1) applying these requirements would be inconsistent with the public interest; (2) iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of satisfactory quality; or (3) inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent." This guidance provides specific materials for the implementation of the Buy American provisions of the Recovery Act, including sample Buy American Contract language for contractors and subcontractors, draft Federal Register notices for waivers of the Buy American provisions, and checklist for a waiver request.

EPA has also conducted four Webcasts on implementation of the Buy American provisions of the Recovery Act – on May 19, June 4, June 11, and June 22 of this year.

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[45] *Id.* § 1512.

[46] On March 12, 2009, EPA posted Clean Water SRF allotments by State. These allotments are summarized on the Committee's website: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930.

In addition, EPA published three nationwide waivers of the Buy American provisions for projects funded under the Recovery Act. The first nationwide waiver, published on April 7, 2009, provides a nationwide waiver of the Buy American provisions for projects where debt was incurred on or after October 1, 2008, and before February 17, 2009 (the date of enactment). Under existing law, the Clean Water SRF can be used as leverage to refinance debt obligations incurred for the constriction of wastewater treatment projects at a lower rate. This waiver allows individual States to continue this practice, but not require the retroactive application of the Buy American provisions for projects that may have already been underway. Projects eligible for this nationwide waiver would have "specified designs", "may have solicited bids from prospective contractors", may have "awarded construction contracts, and in some cases began construction, prior to February 17, 2009."

The second nationwide waiver was published on June 2, 2009, and provides a waiver of the Buy American provisions for projects that solicited bids on or after October 1, 2008, and prior to February 17, 2009. Similar to the previous waiver, this waiver would prohibit the retroactive application of the Buy American provisions to projects for which bids had already been submitted prior to the enactment of the Recovery Act.

The third nationwide waiver, published on June 2, 2009, and revised on August 10, 2009, provides a waiver of the Buy American provisions for "de minimis" incidental components of projects financed through the Recovery Act. This waiver would allow for the use of non-domestic iron, steel, and manufactured goods in a project provided that such components "comprise in total a *de minimus* amount of the project, that is, for any such incidental components up to a limit of no more than 5 percent of the total cost of the materials used in and incorporated into a project."

Finally, EPA has granted 17 regional waivers of the Buy American provisions of the Recovery Act for individual projects. A list of these regional waivers can be found on EPA's Recovery Act implementation website: http://www.epa.gov/water/eparecovery/index.html#NationalWaivers.

Economic Impact: Creates approximately 111,000 jobs and $20 billion of economic activity.

SUPERFUND – $600 MILLION

Recovery Act: Provides $600 million for the Superfund program, a comprehensive program to clean up the nation's worst abandoned or uncontrolled hazardous waste sites.

Distribution: Distributes $600 million through existing EPA Superfund program.

Prioritization: EPA selects projects for Recovery Act funding based on a variety of factors, including: construction readiness; human and ecological risk; and opportunities to reduce project costs and schedules.

EPA anticipates that the benefits of applying Recovery Act funds to the Superfund program will include: acceleration of existing projects; investment in new projects; faster return of sites to productive use; and potential acceleration of "green remediation" technology.

Shovel-Ready Deadlines: EPA must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days (March 19, 2009) of the date of enactment of the Recovery Act. EPA must submit a report containing detailed project level information associated with the general plan within 90 days (May 18, 2009) of enactment of the Recovery Act.[47]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[48]

Recovery Act Implementation: EPA has provided $573 million to existing contracts for 56 projects in 28 States,[49] representing 96 percent of the total apportionment. Funds will be used to initiate new construction or accelerate ongoing cleanup, boosting local economies and protecting public health and the environment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

Economic Impact: Creates approximately 16,700 jobs and $3 billion of economic activity.

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[47] *Id.* § 701.
[48] *Id.* § 1512.
[49] On April 15, 2009, the EPA announced its distribution of $600 million in new Superfund cleanup funding through the Recovery Act.

BROWNFIELDS – $100 MILLION

Recovery Act: Provides $100 million for EPA's Brownfields Discretionary Grant Program.

Distribution: Distributes funds to States, cities, and redevelopment agencies through the 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 (P.L. 96-510), as amended by the Brownfields Revitalization and Environmental Restoration Act of 2001 (P.L. 107-118).

Prioritization: On April 10, 2009, EPA announced the criteria for funding decisions under the Brownfields Revolving Loan Funds program, including the demonstrated ability of the revolving loan fund to make loans and subgrants with Recovery Act funds "quickly" (i.e., "shovel-ready" projects) for cleanups that can be started and completed expeditiously, and the demonstrated ability to use supplemental revolving loan funds in a manner that maximizes job creation.

Shovel-Ready Deadlines: EPA must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days (March 19, 2009) of the date of enactment of the Recovery Act. EPA must submit a report containing detailed project level information associated with the general plan within 90 days (May 18, 2009) of the date of enactment of the Recovery Act.[50]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[51]

Recovery Act Implementation: EPA has awarded grants or provided funds for existing grants or contracts worth $79 million for 176 Brownfields projects in 39 States, representing 79 percent of the total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

Economic Impact: Creates approximately 2,800 jobs and $500 million of economic activity.

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[50] *Id.* § 701.
[51] *Id.* § 1512.

WATERSHED REHABILITATION PROGRAM – $50 MILLION

Recovery Act: Provides $50 million for the rehabilitation of deficient flood damage reduction projects under the Watershed Rehabilitation Program.

Distribution: Funds will be distributed to rehabilitate aging flood control structures nationwide.

Prioritization: Funds must be allocated to projects that can be fully funded and completed with the funds appropriated in the Recovery Act, and funds must be allocated to activities that can commence promptly following enactment of the Recovery Act.

Shovel-Ready Deadlines: The Natural Resources Conservation Service (NRCS) must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[52]

Recovery Act Implementation: NRCS has signed contracts worth $17 million to rehabilitate 16 aging dams throughout the country, representing 32 percent of the total apportionment.[53] These projects will help revitalize rural economies by creating jobs and supporting local businesses that supply products and services needed for construction. The projects will also ensure that flood control dams remain safe and protect lives as well as provide decades of flood control, recreation, and wildlife habitat. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

To view a map of projects, see: http://www.usda.gov/recovery/map/.

Economic Impact: Creates approximately 1,400 jobs and $250 million of economic activity.

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[52] *Id.* § 1512.

[53] On April 6, 2009, NRCS announced its distribution of Recovery Act funds through this program.

WATERSHED AND FLOOD PREVENTION OPERATIONS – $290 MILLION

Recovery Act: Provides $145 million for watershed operations, and $145 million for floodplain easements.

Distribution: Funds will be distributed by NRCS to improve water quality, increase water supply, decrease soil erosion, and improve fish and wildlife habitat in rural communities. Other major benefits from these projects include improve community safe and health, flood mitigation, sediment control, and enhanced fish and wildlife habitat.

Prioritization: Funds must be allocated to projects that can be fully funded and completed with the funds appropriated in the Recovery Act, and funds must be allocated to activities that can commence promptly following enactment of the Recovery Act.

Shovel-Ready Deadlines: NRCS must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[54]

Recovery Act Implementation: NRCS has signed contracts worth $117 million for 380 projects, representing 40 percent of the total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

To view a map of projects, see: http://www.usda.gov/recovery/map/.

Economic Impact: Creates approximately 8,000 jobs and $1.4 billion of economic activity.

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[54] *Id.* § 1512.

INTERNATIONAL BOUNDARY AND WATER COMMISSION – $220 MILLION

Recovery Act: Provides $224 million to the United States Section of the International Boundary and Water Commission (IBWC) to carry out immediate repair and rehabilitation requirements of existing water supply infrastructure along the U.S.-Mexican border.

Distribution: These funds will allow rehabilitation of approximately 170 miles of deficient levees, including Rio Grande levees as well as levees in the interior floodways in the Lower Rio Grande Flood Control Project.

Prioritization: The IBWC has prioritized Recovery Act funds for projects necessary to raise levee heights and make structural repairs to ensure the levees provide adequate protection during the 100-year flood, a flood that has a 1 percent chance of occurring in any given year. The levee rehabilitation is intended to meet standards established by the Federal Emergency Management Agency (FEMA).

Shovel-Ready Deadlines: IBWC must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: IBWC must submit a detailed spending plan for funds appropriated under the Recovery Act to the Committees on Appropriations within 90 days (May 18, 2009) of enactment of the Recovery Act.[55]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[56]

Recovery Act Implementation: IBWC has awarded contracts worth $45 million for six projects, representing 20 percent of the total apportionment. IBWC anticipates that all construction projects will be awarded by the end of 2009. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

Economic Impact: Creates approximately 6,100 jobs and $1.1 billion of economic activity.

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[55] *Id.* Title XI.
[56] *Id.* § 1512.

U.S. Army Corps of Engineers – $4.6 Billion

Recovery Act:

1. **Provides an additional $2 billion for the Corps of Engineers Construction program;**
2. **Provides an additional $2.075 billion for the Corps of Engineers Operation and Maintenance program;**
3. **Provides an additional $375 million for the Corps of Engineers Mississippi River and Tributaries program;**
4. **Provides an additional $100 million for the Corps of Engineers Formerly Utilized Remedial Action Program;**
5. **Provides an additional $25 million for the Corps of Engineers Investigations program; and**
6. **Provides an additional $25 million for the Corps of Engineers Regulatory Program.**

Distribution: Distributes funds to the Corps of Engineers (Corps), which will determine the distribution of funds through its existing project selection process. Water resources development projects include navigation, flood control, hurricane and storm damage reduction, shoreline protection, hydroelectric power, recreation, water supply, environmental infrastructure, environmental protection, restoration and enhancement, and fish and wildlife mitigation projects.

Prioritization: Requires that funds be used for programs, projects, or activities (or elements of programs, projects, or activities) that can be completed within the funds made available in the Recovery Act, and that will not require new budget authority to complete.

Shovel-Ready Deadlines: The Corps must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Beginning 45 days (April 3, 2009) after the date of enactment of the Recovery Act, the Corps must submit quarterly reports to the Committees on Appropriations detailing the allocation, obligation, and expenditures of these funds.[57]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and

[57] *Id.* Title IV.

obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[58]

Recovery Act Implementation: The Corps has committed nearly $2.3 billion for 744 Recovery Act projects in 49 States, Puerto Rico, and the District of Columbia, representing 48 percent of the total amount of Recovery Act funds allocated to the Corps.[59] This includes $2 billion for new contracts and new work orders against existing contracts.

Construction Program ($2 billion): The Corps has committed $717 million for 132 projects. This represents 36 percent of the apportionment for this program.

Operation and Maintenance Program ($2.075 billion): The Corps has committed $1.3 billion for 515 projects. This represents 62 percent of the apportionment for this program.

Mississippi River and Tributaries Program ($375 million): The Corps has committed $165 million for 36 projects. This represents 44 percent of the apportionment for this program.

Formerly Utilized Remedial Action Program ($100 million): The Corps has committed $59 million for eight projects. This represents 59 percent of the apportionment for this program.

Investigations Program ($25 million): The Corps has committed $15 million for 48 projects. This represents 61 percent of the apportionment for this program.

Regulatory Program ($25 million): The Corps has committed $8 million for five projects. This represents 31 percent of the apportionment for this program.

To view the specific projects, see:
http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

To view a national map of Corps projects, see:
http://www.usace.army.mil/recovery/Pages/ProjectLocationsbeta.aspx.

Economic Impact: Creates approximately 139,000 jobs and $23 billion of economic activity.

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[58] *Id.* § 1512.

[59] On April 28, 2009, the Corps posted its lists of Civil Works work packages funded by the Recovery Act. Selected projects are geographically distributed across the United States to provide the nation with inland and coastal navigation, environmental, flood risk management, hydropower, and recreation improvements.

FEDERAL BUILDINGS – $5.575 BILLION

GENERAL SERVICES ADMINISTRATION – $5.55 BILLION

Recovery Act:

1. **Provides $4.5 billion to convert General Services Administration (GSA) Federal buildings to High-Performance Green Buildings as defined in section 401 of P.L. 110-140, the Energy Independence and Security Act of 2007;**

2. **Provides $750 million for repair, alteration, and construction of Federal buildings and U.S. courthouses, and according to Joint Explanatory Statement of the Committee of Conference, of which $450 million shall be for a new headquarters for the Department of Homeland Security; and**

3. **Provides $300 million for border stations and land ports of entry.**

Distribution: Distributes funds through existing GSA prospectus and non-prospectus programs. GSA will determine the distribution of funds through its existing administrative processes.

Prioritization: According to Joint Explanatory Statement of the Committee of Conference, with regard to funding for High-Performance Green Buildings, funds are focused on projects that will, throughout the life-cycle of the building, reduce energy, water, and material resource use, improve indoor environmental quality, and reduce negative impacts on the environment, including air and water pollution and waste generation.[60] With regard to funds that are used for new U.S. courthouse construction, GSA is advised to consider projects for which the design provides courtroom space for senior judges for up to 10 years from eligibility for senior status, not to exceed one courtroom for every two senior judges.

Shovel-Ready Deadlines: Requires GSA to obligate not less than $5 billion of the funds by September 30, 2010, and the remainder not later than September 30, 2011.

Transparency and Accountability Requirements: GSA must submit a detailed plan, by project, regarding the use of funds made available in this Act to the Committees on Appropriations within 45 days (April 3, 2009) of enactment of the Recovery Act, and shall provide notification to said Committees within 15 days prior to any changes regarding the use of these funds.[61]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each

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[60] *See* Energy Independence and Security Act of 2007, Pub. L. No. 110-140, § 401 (2007).
[61] American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, Title V (2009).

calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[62]

Recovery Act Implementation: GSA has awarded contracts worth $1.4 billion in Federal Buildings Recovery Act funds for 288 projects, representing 25 percent of GSA's total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

To put to work Recovery Act funds, GSA has established a national Program Management Office to oversee Recovery Act projects. The Office is now staffed and operational. GSA has also begun to hire additional staff to assist in the implementation of these projects.

Released on March 31, 2009, GSA's Recovery Act spending plan details how it will use the $5.55 billion provided by the Recovery Act. GSA selected the best projects for accomplishing the goals of the Recovery Act based on two over-arching criteria:

- the ability of the project to put people back to work quickly; and
- transforming Federal buildings into high-performance green buildings.

The plan comprises hundreds of projects in all 50 States, Washington, DC, and two U.S. Territories, including:

- constructing 10 Federal buildings and courthouses in five States, Washington, DC, and Puerto Rico ($733.7 million);
- constructing five border stations and land ports of entry in five States on the U.S.-Mexico and U.S.-Canada borders ($300 million);
- modernizing 43 Federal buildings and courthouses in 20 States, Washington, DC, and Puerto Rico with major projects to convert facilities to high-performance green buildings ($3.17 billion);
- modernizing 194 Federal buildings and courthouses in 48 States, Washington, DC, Puerto Rico, and the Virgin Islands with limited-scope projects to convert facilities to high-performance green buildings ($806.9 million); and
- modernizing Federal buildings and courthouses with small projects to convert facilities to high-performance green buildings ($298.6 million).

Each major modernization project will meet the energy efficiency and conservation requirements of the Energy Independence and Security Act of 2007 (P.L. 110-140). Each limited-scope modernization project will all include advanced meters for electricity and water. In addition, if the limited-scope project includes roof replacement, the roof will be replaced with integrated

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[62] *Id.* § 1512.

photovoltaic membrane (if flat and in the appropriate geography), maximum reasonable insulation for the climatic zone (R-50 in colder climates), or a green roof if an integrated photovoltaic roof is not warranted.

Examples of projects to be funded include:

- construction of the Department of Homeland Security headquarters at St. Elizabeths in Washington, DC ($450 million);
- construction of the Nogales West U.S. Land Port of Entry in Nogales, Arizona ($199.5 million);
- modernization of the Whipple Federal Building in Fort Snelling, Minnesota, to convert the building to a high-performance green building ($115 million); and
- modernization of the Edith Green-Wyndell Wyatt Federal Building in Portland, Oregon ($133 million).

The spending plan, including the complete list of projects, is posted at: http://www.gsa.gov/graphics/pbs/American_Recovery_and_Reinvestment_Act_2009.pdf.

Economic Impact: Creates approximately 154,000 jobs and $27.5 billion of economic activity.

SMITHSONIAN INSTITUTION – $25 MILLION

Recovery Act: Provides $25 million for repair and revitalization of existing Smithsonian Institution facilities.

Distribution: Distributes funds through the Smithsonian Institution's existing administrative processes.

Shovel-Ready Deadlines: The Smithsonian Institution must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: The Smithsonian Institution must submit a general plan for expenditures of such funds to the Committees on Appropriations within 30 days (March 19, 2009) of enactment of the Recovery Act.[63]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[64]

Recovery Act Implementation: The Smithsonian has signed contracts worth $22 million for 13 projects, representing 87 percent of the total apportionment. The Smithsonian expects to complete all construction by December 31, 2010. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

Economic Impact: Creates approximately 700 jobs and $124 million of economic activity.

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[63] *Id.* § 701.
[64] *Id.* § 1512.

ECONOMIC DEVELOPMENT ADMINISTRATION – $150 MILLION

Recovery Act: Provides $150 million for EDA's economic development programs, of which not less than $50 million shall be for economic adjustment assistance under section 209 of the Public Works and Economic Development Act of 1965, and up to $50 million may be transferred to federally authorized regional economic development commissions.[65]

Distribution: Distributes funds to local partners through EDA's existing regional allocation and project selection processes. EDA may transfer funds to the Appalachian Regional Commission, the Delta Regional Authority, the Northern Great Plains Regional Authority, the Northern Border Regional Commission, the Southeast Crescent Regional Commission, and the Southwest Border Regional Commission. These Federally authorized regional economic development commissions may assist eligible applicants in submitting applications to EDA, or may seek transfers directly from EDA.

Prioritization: Of the $150 million provided, not less than $50 million must be allocated for economic adjustment assistance under section 209 of the Public Works and Economic Development Act of 1965. EDA will allocate the remaining $100 million to either the Public Works and Economic Development Facilities Program or the Economic Adjustment Assistance Program, depending on demonstrated needs.

With regard to funding for economic adjustment assistance, the Secretary of Commerce shall give priority consideration to areas of the nation that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring.

Shovel-Ready Deadlines: EDA must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[66]

Recovery Act Implementation: On September 25, 2009, EDA reached a milestone by announcing its final Recovery Act project. In total, EDA announced 68 grants in 37 States totaling

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[65] *Id.* Title II.
[66] *Id.* § 1512.

$147 million, representing nearly 100 percent of the total apportionment.[67] To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

EDA funded projects in some of the areas most deeply impacted by the current recession. These projects target opportunities that will jump start our economy, while at the same time, support investments that will contribute to sustained economic growth across the country. EDA's implementation plan supports a diverse collection of activities, including:

- 23 projects to promote the development of regional innovation clusters, which leverage a region's existing competitive strengths to boost job creation and economic growth ($50 million);
- 13 projects to promote business incubation ($37 million);
- 14 projects to promote green jobs ($27 million); and
- five projects to promote trade and help connect regional economies to the opportunities offered by the global marketplace ($11 million).

Economic Impact: Creates approximately 4,200 jobs and $744 million of economic activity.

[67] EDA will use the remaining $3 million for administration and oversight of the grants.

FEDERAL EMERGENCY MANAGEMENT AGENCY – $210 MILLION

Recovery Act: Provides $210 million for Firefighter Assistance Grants, for modifying, upgrading, or constructing non-Federal fire stations.

Distribution: Distributes funds through FEMA's existing competitive grant processes. No grant shall exceed $15 million.

Shovel-Ready Deadlines: FEMA must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[68]

Recovery Act Implementation: Approximately three months after applications for grants were due,[69] FEMA, on September 23, 2009, announced 104 grants in 36 States totaling $166 million. This represents 79 percent of the total available funds.

This program is aimed at creating and saving jobs in recession-hit areas and achieving firefighter safety and improved response capability and capacity based on need.

Economic Impact: Creates approximately 5,800 jobs and $1 billion of economic activity.

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[68] *Id.* § 1512.

[69] On May 29, 2009, FEMA released guidance for the Firefighter Assistance Grants program. Applications for grants were due to FEMA by July 10, 2009.

COAST GUARD – $240 MILLION

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS – $98 MILLION

Recovery Act: Provides $98 million for the Coast Guard's Acquisition, Construction, and Improvements program to fund ready-to-go Coast Guard shore facility repair projects. This funding cannot be used for pre-acquisition survey, design, or construction of a new polar icebreaker.

Distribution: Distributes funds through the Coast Guard's existing administrative processes.

Prioritization: Funds are to be used for shore facilities and aids to navigation facilities; for materials and labor cost increases of priority procurements; and for costs to repair, renovate, assess, or improve vessels.

Shovel-Ready Deadlines: The Coast Guard must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: The Coast Guard must submit a plan for the expenditure of these funds to the Committees on Appropriations within 45 days (April 3, 2009) of enactment of the Recovery Act.[70]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[71]

Recovery Act Implementation: The Coast Guard has committed to spend $7 million for its Sycamore Cordova Housing project in Cordova, Alaska, $459,000 for the 378-foot High Endurance Cutter project, and $49,000 for a water distribution system in Yorktown, Virginia. Preliminary planning documentation and outlay projections have also been completed on all seven shore infrastructure projects.

Economic Impact: Creates approximately 2,700 jobs and $500 million of economic activity.

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[70] *Id.* Title VI.
[71] *Id.* § 1512.

BRIDGE ALTERATIONS – $142 MILLION

Recovery Act: Provides $142 million for the Coast Guard's Alteration of Bridges program, which funds the removal or alteration of bridges that are safety hazards or unreasonable obstructions to navigation.

Distribution: Distributes funds through the Coast Guard's existing administrative processes.

Prioritization: The Coast Guard shall award these funds to those bridges that are ready to proceed to construction.

Shovel-Ready Deadlines: The Coast Guard must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: The Coast Guard must submit a plan for the expenditure of these funds to the Committees on Appropriations within 45 days (April 3, 2009) of enactment of the Recovery Act.[72]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[73]

Recovery Act Implementation: Contracts have been awarded and construction has started on three of the four planned bridge projects totaling $81 million, representing 57 percent of the available funds.[74] These three bridges include the Burlington Bridge project over the Mississippi River in Iowa, the Mobile Bridge project over the Mobile River in Hurricane, Alabama, and the Elgin, Joliet, and Eastern Railway Co. Bridge project over the Illinois Waterway in Divine, Illinois.[75]

Economic Impact: Creates approximately 4,000 jobs and $700 million of economic activity.

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[72] *Id.* Title VI.
[73] *Id.* § 1512.
[74] The Coast Guard plans to have a contract awarded for the remaining bridge, the Galveston Bridge Project over the Intercoastal Waterway in Texas, by early February 2010.
[75] Prior to contract awards and construction beginning, the Coast Guard completed bid documents, advertised bid solicitations, and held pre-bid meetings for each bridge project.

MARITIME ADMINISTRATION
SMALL SHIPYARD GRANTS – $100 MILLION

Recovery Act: Provides $100 million for grants to small shipyards for capital improvement and worker training as authorized by section 54101 of title 46, United States Code.

Distribution: Distributes funds through the Maritime Administration's existing competitive grant program. The purpose of the grants is to make capital and infrastructure improvements that facilitate the efficiency, cost-effectiveness and quality of domestic ship construction, conversion or repair for commercial and federal government use. This program generally provides 75 percent Federal funds with 25 percent matching funds from the grant recipient. Grant funds may also be used for maritime training programs to foster technical skills and operational productivity.

Of the $100 million, $75 million is reserved for shipyards with 600 employees or fewer, and up to $25 million may be awarded to shipyards with up to 1,200 employees.

Shovel-Ready Deadlines: The Secretary of Transportation shall ensure that funds provided under this program shall be obligated within 180 days of the date of their distribution.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the Maritime Administration on the use of Recovery Acts no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the Maritime Administration and transmitted to Congress.

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[76]

Recovery Act Implementation: On August 18, 2009, the Maritime Administration awarded 70 grants totaling $98 million for small shipyard projects in 26 States and Guam. Prior to awarding these grants, the Maritime Administration solicited applications until the April 20, 2009 application deadline. The Maritime Administration received 454 grant applications totaling $1.25 billion.

Economic Impact: Creates approximately 2,800 jobs and $500 million of economic activity.

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[76] *Id.* § 1512.

T&I Committee Transparency and Accountability Information by State and Formula Funding under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (Recovery Act)
Submissions Received by T&I Committee (Data Reported as of September 30, 2009)

	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained (Full-Time Equivalent Job Months)*	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Alabama														
Clean Water State Revolving Fund	$43,821,538	$39,260,576	$0	3	$13,767,115	3	$13,767,115	2	$12,014,251	0	$0	0	0	$0
Highway Infrastructure Investment	$513,692,083	$496,894,057	$20,758,657	104	$405,938,489	84	$319,868,000	63	$180,740,000	3	$4,575,310	971	168,243	$2,524,466
Transit Capital Assistance	$40,132,290	$12,928,245	$0	8	$13,515,571	5	$4,233,314	4	$411,504	1	$235,221	1	259	$7,725
Total	$597,645,931	$549,082,878	$20,758,657	115	$433,211,175	92	$337,868,429	69	$193,165,755	4	$4,810,531	972	168,502	$2,532,191
Alaska														
Clean Water State Revolving Fund	$23,454,981	$1,782,532	$658,861	2	$2,222,222	2	$2,222,222	0	$0	0	$0	2	400	$0
Highway Infrastructure Investment	$175,461,487	$121,203,571	$26,875,133	15	$84,914,024	12	$76,785,791	10	$53,796,599	0	$0	816	141,415	$4,687,092
Transit Capital Assistance	$40,869,479	$33,802,526	$9,125,639	8	$10,106,500	14	$18,317,634	13	$18,317,634	0	$0	65	11,263	$2,018,376
Total	$239,785,947	$156,787,429	$36,659,633	25	$97,242,746	28	$97,325,647	23	$72,114,233	0	$0	883	153,078	$6,705,468
American Samoa														
Clean Water State Revolving Fund	$3,354,000	$3,354,000	$0	0	$0	0	$0	0	$0	0	$0	0	25	$500
Highway Infrastructure Investment	$4,500,000	$4,400,000	$0	1	$4,400,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$341,099	$341,099	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$8,195,099	$8,095,099	$0	1	$4,400,000	0	$0	0	$0	0	$0	0	25	$500
Arizona														
Clean Water State Revolving Fund	$26,469,630	$23,506,412	$3,900,052	15	$23,506,412	15	$23,506,412	14	$22,179,280	0	$0	570	98,719	$3,877,546
Fixed Guideway	$640,070	$640,070	$0	1	$640,070	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$521,958,401	$392,516,358	$17,656,077	132	$222,198,107	121	$157,616,107	107	$139,362,457	0	$0	2,153	373,202	$9,244,668
Transit Capital Assistance	$103,670,276	$81,720,888	$996,072	29	$31,306,938	18	$11,591,101	13	$6,468,022	0	$0	180	31,255	$17,950
Total	$652,738,377	$498,383,728	$22,552,201	177	$277,561,527	154	$192,713,620	133	$168,009,679	0	$0	2,903	503,176	$12,140,164
Arkansas														
Clean Water State Revolving Fund	$25,636,545	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$351,544,468	$228,239,423	$44,394,725	77	$170,738,586	69	$144,301,841	68	$134,136,568	48	$39,408,459	1,038	179,958	$3,199,506
Transit Capital Assistance	$20,573,849	$18,612,944	$1,372,391	16	$10,485,591	14	$9,084,686	14	$9,084,686	1	$80,054	9	1,600	$32,000
Total	$397,754,862	$246,852,367	$45,767,116	93	$181,224,177	83	$153,386,527	82	$143,221,254	49	$39,488,513	1,047	181,558	$3,231,506
California														
Clean Water State Revolving Fund	$280,285,335	$235,499,309	$10,049,166	78	$205,628,674	78	$205,628,674	22	$107,486,085	0	$0	1,542	267,352	$9,563,181
Fixed Guideway	$66,171,859	$63,214,610	$86,057	8	$60,265,270	4	$26,816,402	9	$53,211,525	0	$0	6	979	$85,753
Highway Infrastructure Investment	$2,569,568,326	$2,052,877,324	$29,214,070	379	$1,596,017,396	169	$821,623,873	169	$821,623,873	24	$16,680,142	2,851	494,251	$25,720,112
Transit Capital Assistance	$802,941,565	$758,592,649	$107,150,658	205	$437,410,917	186	$760,390,638	196	$877,778,122	84	$25,915,856	11,890	2,060,895	$70,685,911
Total	$3,718,967,109	$3,110,183,892	$146,499,960	670	$2,299,322,257	437	$1,814,459,587	396	$1,860,099,605	108	$42,595,998	16,289	2,823,477	$106,054,957
Colorado														
Clean Water State Revolving Fund	$31,348,152	$28,277,193	$0	12	$28,277,193	12	$28,277,193	12	$28,277,193	0	$0	0	0	$0
Fixed Guideway	$753,399	$753,399	$0	1	$753,399	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$403,924,130	$248,790,848	$37,842,953	62	$223,700,829	52	$217,018,858	47	$211,756,385	4	$6,618,474	1,038	335,851	$8,398,098
Transit Capital Assistance	$121,307,240	$112,641,397	$174,680	36	$83,489,510	17	$76,757,452	15	$26,634,802	3	$172,639	1,192	206,598	$434,579
Total	$557,332,921	$390,462,837	$38,017,633	111	$336,220,931	81	$322,053,503	74	$266,668,378	7	$6,791,113	3,130	542,449	$8,832,677

*Consistent with the U.S. Department of Transportation's reporting requirements, this figure is based on direct, on-project full-time-equivalent (FTE) job months. FTE job months are calculated by dividing cumulative job hours created or sustained by 173 hours (40 hours per week times 52 weeks divided by 12 months = 173 hours).

For a State/Territory where no row lists the Clean Water State Revolving Fund program, the State/Territory did not report to the T&I Committee. For a Territory where no row lists the Transit Capital Assistance program, the Territory and/or transit grant recipient did not report to the T&I Committee.

For a State/Territory where no row lists the Fixed Guideway program, the State/Territory does not receive Fixed Guideway funds (except for Michigan and Puerto Rico, where the transit grant recipient did not report to the T&I Committee).

	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained (Full-Time-Equivalent Job Months)*	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Connecticut														
Clean Water State Revolving Fund	$48,010,300	$38,408,240	$2,257,043	3	$36,487,828	2	$28,659,148	2	$28,659,148	0	$0	51	8,858	$732,041
Fixed Guideway	$32,030,396	$32,030,396	$0	4	$27,030,396	2	$0	2	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$302,053,056	$218,034,752	$5,160,965	42	$216,632,493	30	$181,355,993	24	$175,680,687	0	$0	327	56,761	$1,969,741
Transit Capital Assistance	$120,767,245	$117,535,745	$40,469	5	$79,727,665	2	$5,429,951	2	$3,800,000	0	$0	0	0	$304
Total	$502,861,897	$406,009,134	$7,758,477	54	$361,878,382	36	$215,445,091	30	$207,139,835	0	$0	379	65,619	$2,702,086
Delaware														
Clean Water State Revolving Fund	$19,239,066	$1,500,000	$33,488	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$121,828,650	$60,103,958	$7,180,331	32	$49,481,672	29	$49,481,672	24	$37,742,229	0	$0	562	97,386	$2,347,979
Transit Capital Assistance	$19,000,000	$17,657,886	$173,970	1	$1,886,750	0	$0	0	$0	0	$0	0	0	$0
Total	$160,067,716	$79,261,844	$7,409,789	33	$51,368,422	29	$49,481,672	24	$37,742,229	0	$0	562	97,386	$2,347,979
District of Columbia														
Clean Water State Revolving Fund	$19,239,066	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$13,888,380	$17,749,826	$1,509,265	6	$17,749,826	5	$10,730,000	5	$10,730,000	0	$0	25	4,286	$128,858
Highway Infrastructure Investment	$123,507,842	$108,926,623	$2,346,189	13	$106,180,796	6	$27,514,958	3	$9,870,806	1	$1,000,000	87	15,155	$347,071
Transit Capital Assistance	$184,083,398	$183,478,396	$2,370,666	22	$177,448,222	10	$109,004,722	9	$85,990,722	0	$0	5	947	$58,793
Total	$340,718,684	$309,154,845	$6,226,120	41	$301,378,844	21	$147,249,680	17	$106,591,528	1	$1,000,000	118	20,488	$534,702
Florida														
Clean Water State Revolving Fund	$132,286,374	$107,690,592	$4,016,190	23	$107,690,592	15	$80,789,540	13	$71,622,219	0	$0	246	42,683	$696,158
Fixed Guideway	$5,410,766	$2,913,691	$0	1	$31,550	1	$31,550	1	$31,550	0	$0	0	0	$0
Highway Infrastructure Investment	$1,246,735,003	$986,115,021	$7,370,024	347	$1,202,544,825	183	$659,309,729	129	$325,191,198	1	$454,745	333	57,673	$1,408,181
Transit Capital Assistance	$277,775,773	$158,898,594	$21,079,867	169	$76,005,612	129	$68,443,086	116	$43,066,706	32	$4,237,915	334	57,813	$2,509,514
Total	$1,762,207,916	$1,255,617,858	$32,466,081	540	$1,386,272,579	328	$808,573,905	259	$439,911,673	33	$4,692,660	913	158,169	$4,613,853
Georgia														
Clean Water State Revolving Fund	$66,261,294	$6,495,686	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$7,380,854	$7,380,854	$0	1	$7,380,854	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$931,585,680	$366,415,023	$28,974,463	167	$554,860,940	125	$387,728,831	119	$347,884,835	0	$0	1,247	216,213	$3,736,110
Transit Capital Assistance	$101,012,647	$91,923,695	$14,766,228	8	$42,638,375	5	$14,057,868	3	$26,167,287	0	$0	2,490	431,580	$14,766,228
Total	$1,106,240,475	$672,217,238	$43,740,691	176	$604,880,169	130	$401,786,699	122	$374,252,122	0	$0	3,737	647,793	$18,502,338
Guam														
Highway Infrastructure Investment	$18,000,000	$18,000,000	$0	5	$18,000,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$921,976	$921,976	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$18,500,000	$18,000,000	$0	5	$18,000,000	0	$0	0	$0	0	$0	0	0	$0
Hawaii														
Clean Water State Revolving Fund	$30,352,311	$0	$0	3	$15,961,950	2	$8,523,875	0	$0	0	$0	0	0	$0
Fixed Guideway	$254,793	$254,793	$0	1	$254,793	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$125,746,360	$85,029,726	$313,363	15	$72,549,422	9	$43,256,130	9	$43,256,130	0	$0	40	7,012	$294,092
Transit Capital Assistance	$43,582,583	$43,582,583	$0	5	$22,278,642	4	$2,933,435	4	$2,933,435	0	$0	0	0	$0
Total	$199,936,067	$128,867,102	$313,363	24	$111,044,807	15	$54,713,440	13	$46,189,565	0	$0	40	7,012	$294,092
Idaho														
Clean Water State Revolving Fund	$19,239,066	$9,269,550	$228,367	1	$3,160,000	1	$3,160,000	1	$3,160,000	0	$0	19	3,340	$76,257
Highway Infrastructure Investment	$181,934,631	$128,123,064	$11,397,793	11	$99,862,811	10	$99,588,634	10	$99,588,634	0	$0	461	79,803	$2,453,948
Transit Capital Assistance	$21,484,968	$20,688,095	$0	5	$572,641	3	$390,000	3	$390,000	0	$0	4	703	$35,431
Total	$222,658,665	$158,081,709	$11,626,160	17	$103,595,452	14	$103,138,634	14	$103,138,634	0	$0	485	83,996	$2,565,636

*Consistent with the U.S. Department of Transportation's reporting requirements, this figure is based on direct, on-project full-time-equivalent (FTE) job months. FTE job months are calculated by dividing cumulative job hours created or sustained by 173 hours (40 hours per week times 52 weeks divided by 12 months = 173 hours).

For a State/Territory where no row lists the Clean Water State Revolving Fund program, the State/Territory did not report to the T&I Committee. For a Territory where no row lists the Transit Capital Assistance program, the Territory and/or transit grant recipient did not report to the T&I Committee.

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained (Full-Time-Equivalent Job Months)*	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Illinois														
Clean Water State Revolving Fund	$177,243,066	$47,908,137	$5,288,900	51	$131,587,760	17	$47,908,137	15	$35,154,873	0	$0	45	7,834	$403,971
Fixed Guideway	$96,088,797	$55,209,245	$32,866,795	9	$95,534,850	6	$55,209,245	6	$55,209,245	2	$30,080,000	3,770	653,458	$26,542,934
Highway Infrastructure Investment	$935,592,704	$776,055,559	$250,520,124	443	$803,784,759	372	$600,031,296	308	$573,131,595	101	$147,940,914	6,396	1,108,600	$41,914,089
Transit Capital Assistance	$365,568,604	$334,078,510	$81,407,251	30	$296,864,872	30	$326,075,847	20	$241,081,270	2	$100,000,000	8,376	1,451,795	$86,286,488
Total	$1,574,493,171	$1,214,151,451	$370,053,070	533	$1,327,772,241	425	$1,029,224,525	341	$904,576,983	105	$278,020,914	18,587	3,221,667	$155,147,452
Indiana														
Clean Water State Revolving Fund	$94,447,485	$43,323,906	$9,442,188	27	$39,323,906	10	$14,249,800	10	$14,249,800	0	$0	198	34,373	$924,200
Fixed Guideway	$5,858,540	$6,412,487	$56,707	1	$6,412,487	1	$6,412,487	1	$6,412,487	0	$0	3	524	$41,983
Highway Infrastructure Investment	$687,967,707	$485,639,565	$87,666,040	529	$386,005,743	466	$366,285,263	453	$365,445,301	11	$4,377,727	2,634	491,257	$17,012,141
Transit Capital Assistance	$77,370,997	$61,362,334	$13,313,338	26	$38,019,507	41	$50,340,938	30	$180,136,488	13	$597,878	1,172	203,163	$5,005,436
Total	$835,644,729	$596,958,292	$110,478,273	583	$469,961,643	518	$437,288,488	504	$566,244,076	24	$4,775,605	4,208	729,319	$22,983,760
Iowa														
Clean Water State Revolving Fund	$53,040,042	$53,040,000	$0	23	$23,462,813	10	$12,500,413	10	$12,500,413	0	$0	0	0	$0
Highway Infrastructure Investment	$358,162,431	$330,753,205	$119,940,729	195	$322,435,938	185	$313,667,102	169	$303,299,616	16	$10,160,846	4,661	807,915	$21,874,474
Transit Capital Assistance	$35,185,166	$32,575,166	$2,690,806	84	$29,278,543	84	$28,545,242	28	$7,302,897	1	$100,000	86	14,964	$98,307
Total	$446,387,639	$416,368,371	$122,631,535	302	$375,177,294	279	$354,712,757	207	$323,102,926	17	$10,260,846	4,747	822,879	$21,972,781
Kansas														
Clean Water State Revolving Fund	$35,374,185	$5,656,535	$0	5	$5,500,754	3	$1,807,054	3	$1,807,054	1	$70,500	0	0	$0
Highway Infrastructure Investment	$347,817,167	$233,276,836	$12,868,536	68	$232,817,036	38	$212,948,021	18	$203,073,447	0	$0	794	137,883	$3,558,672
Transit Capital Assistance	$25,187,018	$20,514,032	$345,722	13	$6,720,376	10	$9,187,376	7	$5,233,043	4	$221,444	16	2,521	$43,943
Total	$408,378,370	$259,447,403	$13,214,258	86	$245,038,166	51	$223,942,451	28	$210,113,544	5	$291,944	810	140,404	$3,602,615
Kentucky														
Clean Water State Revolving Fund	$49,878,081	$1,796,065	$375	3	$1,796,440	3	$1,796,440	3	$1,796,440	1	$375	0	0	$0
Highway Infrastructure Investment	$421,094,091	$301,968,008	$45,295,558	29	$292,162,351	26	$279,041,909	24	$278,923,909	0	$0	1,279	221,710	$6,295,061
Transit Capital Assistance	$49,375,837	$45,365,491	$7,529,494	75	$29,724,223	51	$25,965,604	51	$21,694,501	1	$90,000	353	61,133	$1,759,539
Total	$520,348,009	$349,129,564	$52,825,427	107	$323,683,014	80	$306,803,953	78	$302,414,850	2	$90,375	1,632	282,843	$8,054,600
Louisiana														
Clean Water State Revolving Fund	$43,081,434	$0	$0	7	$9,553,643	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$2,425,343	$2,425,300	$2,425,300	2	$2,425,300	2	$80,000	2	$80,000	0	$0	0	0	$0
Highway Infrastructure Investment	$429,859,427	$366,901,966	$4,301,340	50	$231,686,166	40	$218,865,343	23	$164,192,251	0	$0	338	58,662	$1,779,193
Transit Capital Assistance	$50,354,743	$36,585,257	$14,959,905	46	$15,023,953	84	$15,529,120	74	$9,138,372	37	$6,485,331	1,636	283,550	$9,917,631
Total	$525,720,947	$405,912,503	$21,666,545	105	$258,689,062	126	$234,474,463	99	$173,410,623	37	$6,485,331	1,974	342,212	$11,696,824
Maine														
Clean Water State Revolving Fund	$30,336,768	$23,858,618	$0	35	$25,293,713	28	$24,543,997	28	$24,543,997	3	$430,192	201	34,788	$1,324,596
Highway Infrastucture Investment	$130,752,032	$130,752,032	$72,670,918	71	$130,752,032	71	$130,752,032	64	$104,755,460	27	$16,470,382	2,464	427,140	$11,483,102
Transit Capital Assistance	$13,266,105	$13,266,105	$0	3	$13,266,105	2	$5,553,417	1	$651,320	0	$0	0	0	$0
Total	$174,354,905	$167,876,755	$72,670,918	109	$169,311,850	101	$160,849,446	93	$129,950,777	30	$16,900,574	2,665	461,928	$12,809,698
Maryland														
Clean Water State Revolving Fund	$94,784,580	$10,743,290	$0	66	$73,223,180	9	$18,545,000	9	$18,545,000	0	$0	28	4,936	$96,663
Fixed Guideway	$15,265,694	$15,176,485	$481,654	4	$9,176,485	3	$6,377,914	2	$4,400,000	1	$400,000	32	5,528	$192,022
Highway Infrastructure Investment	$431,034,777	$338,330,962	$30,758,452	109	$279,421,174	102	$254,661,359	91	$226,082,688	3	$4,444,945	1,915	332,019	$6,576,692
Transit Capital Assistance	$119,406,194	$110,234,914	$4,919,917	23	$89,231,675	34	$85,881,996	15	$42,835,668	2	$194,168	355	61,449	$1,846,501
Total	$660,491,243	$474,485,651	$36,160,023	202	$451,052,314	148	$365,466,269	117	$291,843,356	6	$5,039,113	2,330	403,932	$8,711,878

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained (Full-Time-Equivalent Job Months)*	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Massachusetts														
Clean Water State Revolving Fund	$133,087,188	$0	$0	24	$14,030,350	18	$13,026,703	18	$13,026,703	0	$0	0	0	$0
Fixed Guideway	$52,362,925	$51,513,648	$2,280	4	$9,726,773	3	$9,649,773	3	$9,649,773	0	$0	0	0	$0
Highway Infrastructure Investment	$437,865,258	$256,646,302	$16,232,147	45	$256,646,302	31	$107,441,776	31	$107,441,776	0	$0	513	88,992	$3,359,102
Transit Capital Assistance	$248,656,337	$173,850,933	$1,043,892	102	$81,551,008	60	$69,771,698	58	$51,413,115	17	$817,281	163	28,273	$411,127
Total	$871,941,905	$482,010,883	$17,278,319	176	$361,954,433	112	$199,889,950	110	$181,531,367	17	$817,281	677	117,265	$3,770,229
Michigan														
Clean Water State Revolving Fund	$168,508,989	$78,657,000	$16,971,197	40	$78,657,000	23	$51,354,000	23	$51,354,000	0	$0	1,040	180,263	$6,821,561
Highway Infrastructure Investment	$847,204,834	$645,639,987	$118,747,729	369	$618,807,472	301	$404,402,376	258	$346,147,577	110	$43,058,636	2,843	492,737	$14,709,528
Transit Capital Assistance	$134,921,061	$91,561,572	$8,141,053	54	$63,683,554	40	$31,733,962	24	$23,099,310	6	$795,254	1,885	326,723	$7,561,284
Total	$1,150,634,884	$815,858,559	$143,859,979	463	$763,148,026	364	$487,510,338	305	$420,600,887	116	$43,853,910	5,768	999,723	$29,083,173
Minnesota														
Clean Water State Revolving Fund	$82,564,000	$70,346,672	$11,675,354	25	$79,682,760	25	$79,682,760	25	$79,682,760	0	$0	460	79,815	$3,164,246
Fixed Guideway	$1,851,573	$1,851,573	$0	1	$1,806,843	1	$1,806,843	1	$1,806,843	0	$0	0	0	$0
Highway Infrastructure Investment	$302,284,177	$381,324,049	$138,487,558	150	$370,658,080	134	$337,807,926	109	$235,216,037	38	$72,352,044	4,265	739,266	$24,384,130
Transit Capital Assistance	$92,241,542	$89,749,954	$797,024	75	$60,741,121	74	$60,423,543	68	$58,862,060	25	$1,335,777	30	5,236	$196,302
Total	$678,941,292	$543,272,248	$150,959,836	249	$512,888,804	234	$479,721,072	203	$375,567,700	63	$73,687,821	4,756	824,319	$27,744,678
Mississippi														
Clean Water State Revolving Fund	$35,308,350	$29,794,022	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$354,654,343	$300,212,926	$0	69	$300,212,926	67	$279,765,960	57	$248,152,107	0	$0	2,379	412,409	$6,008,243
Transit Capital Assistance	$20,300,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$410,262,693	$330,006,948	$0	69	$300,212,926	67	$279,765,960	57	$248,152,107	0	$0	2,379	412,409	$6,008,243
Missouri														
Clean Water State Revolving Fund	$108,641,808	$0	$0	8	$108,641,800	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$1,289,449	$1,289,449	$40,596	0	$0	0	$0	1	$40,596	0	$0	4	708	$39,955
Highway Infrastructure Investment	$637,121,984	$408,003,372	$74,620,279	174	$377,829,687	165	$373,783,257	161	$325,108,578	47	$21,384,854	1,771	306,939	$10,680,336
Transit Capital Assistance	$91,683,858	$82,463,251	$7,080,757	40	$26,198,324	36	$23,273,261	36	$19,889,146	4	$494,734	144	24,966	$572,756
Total	$838,737,099	$491,756,072	$81,741,632	222	$512,669,811	201	$397,056,498	198	$345,038,320	51	$21,879,588	1,919	332,613	$11,293,047
Montana														
Clean Water State Revolving Fund	$19,239,066	$4,380,564	$2,076,947	21	$14,010,664	14	$10,218,564	11	$8,330,564	1	$750,000	365	63,350	$1,858,327
Highway Infrastructure Investment	$211,793,391	$139,679,631	$30,325,339	64	$139,162,631	58	$118,561,431	53	$97,978,555	0	$0	1,171	203,038	$5,663,138
Transit Capital Assistance	$15,611,710	$15,611,710	$91,317	10	$4,775,888	5	$3,016,849	2	$1,285,971	0	$0	1	254	$19,809
Total	$246,644,167	$159,671,905	$32,493,622	95	$157,949,183	77	$131,796,844	66	$107,595,088	1	$750,000	1,538	266,642	$7,541,273
Nebraska														
Clean Water State Revolving Fund	$20,045,025	$17,114,500	$5,989,672	6	$8,612,500	6	$8,612,500	6	$8,612,500	1	$150,000	335	58,136	$923,058
Highway Infrastructure Investment	$235,589,279	$152,837,083	$40,200,676	43	$152,837,083	37	$133,636,102	37	$133,636,102	0	$0	1,662	288,060	$5,043,533
Transit Capital Assistance	$23,790,610	$15,944,144	$127,064	16	$12,248,970	7	$9,417,087	13	$9,451,271	8	$64,184	8	1,450	$36,180
Total	$279,424,914	$185,895,727	$44,317,412	65	$173,698,553	50	$151,665,689	56	$151,699,873	9	$214,184	2,006	347,646	$6,004,771
Nevada														
Clean Water State Revolving Fund	$19,239,066	$9,658,967	$224,732	4	$4,211,747	4	$4,211,747	4	$4,211,747	0	$0	23	3,970	$0
Highway Infrastructure Investment	$201,352,460	$96,453,625	$4,590,629	18	$88,866,756	13	$62,119,456	13	$62,119,456	0	$0	435	75,356	$2,852,746
Transit Capital Assistance	$49,463,770	$46,866,308	$0	19	$22,295,493	19	$22,295,493	5	$18,592,653	0	$0	166	28,852	$1,315,687
Total	$270,055,296	$152,978,900	$4,815,361	41	$115,373,996	36	$88,626,696	22	$84,923,856	0	$0	624	108,178	$4,168,433

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New Hampshire														
Clean Water State Revolving Fund	$39,163,005	$34,724,930	$647,517	34	$24,812,133	2	$727,750	1	$21,750	1	$21,750	45	7,800	$132,623
Highway Infrastructure Investment	$129,440,556	$123,676,513	$33,015,308	28	$123,676,513	24	$102,626,737	23	$102,269,737	2	$8,946,734	962	166,758	$3,866,499
Transit Capital Assistance	$16,746,804	$13,758,077	$705,869	35	$11,306,732	28	$10,760,047	25	$8,862,111	11	$669,339	65	11,292	$291,355
Total	$185,350,265	$172,159,520	$34,368,694	87	$159,795,378	54	$114,114,534	49	$111,153,598	14	$9,637,823	1,072	185,850	$4,290,477
New Jersey														
Clean Water State Revolving Fund	$160,346,855	$11,044,000	$0	10	$46,954,842	3	$11,044,000	2	$11,044,000	0	$0	0	0	$0
Fixed Guideway	$76,835,714	$66,600,791	$33,916,000	2	$22,276,571	1	$17,297,000	2	$51,601,000	0	$0	2,741	475,163	$12,059,637
Highway Infrastructure Investment	$651,774,480	$467,513,307	$16,531,078	59	$486,416,502	45	$453,635,009	43	$430,130,745	0	$0	761	131,840	$5,636,050
Transit Capital Assistance	$362,435,313	$303,541,676	$40,413,000	12	$301,935,313	6	$189,203,000	7	$254,203,000	0	$0	1,951	338,176	$8,582,907
Total	$1,251,392,362	$848,699,774	$90,860,078	83	$857,583,228	55	$671,179,009	54	$725,998,745	0	$0	5,453	945,179	$26,278,594
New Mexico														
Clean Water State Revolving Fund	$19,239,066	$6,860,239	$0	2	$6,169,895	2	$6,169,895	2	$6,169,895	0	$0	0	0	$0
Highway Infrastructure Investment	$252,644,377	$192,697,245	$30,823,734	12	$148,993,476	11	$147,743,476	11	$147,743,476	0	$0	330	57,166	$1,067,883
Transit Capital Assistance	$27,318,452	$27,518,452	$16,130,207	34	$27,393,452	34	$18,553,519	34	$18,553,519	0	$0	0	0	$0
Total	$299,401,895	$227,075,936	$46,953,941	48	$182,456,823	47	$172,466,890	47	$172,466,890	0	$0	330	57,166	$1,067,883
New York														
Clean Water State Revolving Fund	$432,563,967	$123,411,436	$11,356,654	14	$74,820,268	6	$37,342,447	6	$37,342,447	0	$0	349	60,414	$1,770,920
Fixed Guideway	$254,817,805	$254,817,807	$243,677	12	$254,819,946	12	$217,657,807	5	$169,450,946	0	$0	62	10,710	$0
Highway Infrastructure Investment	$1,120,684,723	$1,002,372,943	$41,480,932	341	$808,392,504	262	$429,409,999	251	$400,338,617	20	$12,046,103	2,589	448,779	$15,877,230
Transit Capital Assistance	$1,191,488,417	$993,852,085	$12,696,184	67	$959,643,232	53	$630,418,334	20	$262,946,374	4	$1,323,784	567	98,268	$4,193,029
Total	$2,999,554,912	$2,374,454,270	$65,777,447	434	$2,097,675,950	333	$1,314,758,587	282	$869,987,384	24	$13,369,887	3,566	618,171	$21,841,179
North Carolina														
Clean Water State Revolving Fund	$70,729,065	$55,738,452	$1,595,060	39	$49,191,935	29	$36,257,573	29	$36,257,573	0	$0	834	144,560	$1,042,505
Highway Infrastructure Investment	$735,526,684	$580,192,539	$78,420,925	131	$443,000,330	111	$373,821,940	99	$348,776,441	2	$2,249,443	3,585	621,378	$10,706,564
Transit Capital Assistance	$94,063,199	$76,893,590	$2,598,376	13	$15,364,353	10	$9,459,884	9	$9,459,884	2	$266,266	332	57,533	$1,028,113
Total	$900,318,948	$712,824,581	$82,614,361	183	$507,556,618	150	$419,539,397	137	$394,493,898	4	$2,515,709	4,751	823,471	$12,777,184
North Dakota														
Highway Infrastructure Investment	$170,126,497	$147,012,895	$30,046,061	97	$86,129,872	94	$86,129,872	76	$78,253,748	0	$0	1,752	303,646	$7,099,891
Transit Capital Assistance	$10,997,089	$10,997,089	$244,989	12	$4,963,794	8	$3,732,227	6	$2,387,940	1	$34,401	0	24	$1,663
Total	$181,123,586	$158,009,984	$30,291,050	109	$91,093,666	102	$89,862,099	82	$80,641,688	1	$34,401	1,752	303,670	$7,101,554
Northern Marianas														
Highway Infrastructure Investment	$4,500,000	$4,500,000	$0	1	$4,500,000	1	$4,500,000	1	$4,500,000	0	$0	0	0	$0
Total	$4,500,000	$4,500,000	$0	1	$4,500,000	1	$4,500,000	1	$4,500,000	0	$0	0	0	$0
Ohio														
Clean Water State Revolving Fund	$220,623,381	$42,164,156	$3,679,963	28	$39,857,160	20	$20,383,141	17	$23,084,062	0	$0	403	69,909	$1,491,506
Fixed Guideway	$12,772,779	$10,160,215	$0	6	$9,724,598	6	$9,544,598	6	$9,544,598	0	$0	53	9,128	$359,973
Highway Infrastructure Investment	$935,677,030	$487,110,551	$36,478,602	202	$457,110,551	155	$378,826,097	155	$378,826,097	13	$7,083,924	1,955	338,883	$4,705,145
Transit Capital Assistance	$164,269,076	$124,687,607	$25,306,500	261	$111,879,837	246	$81,456,099	140	$74,274,594	17	$14,667,146	1,440	249,029	$6,137,154
Total	$1,333,342,266	$634,122,529	$65,265,065	497	$618,572,146	421	$499,209,935	318	$485,739,351	30	$21,751,070	3,851	667,549	$12,693,778
Oklahoma														
Clean Water State Revolving Fund	$31,662,081	$8,098,788	$2,311,938	18	$13,307,154	11	$6,770,146	8	$6,168,696	0	$0	131	22,778	$726,864
Highway Infrastructure Investment	$464,655,225	$412,320,297	$139,009,477	165	$406,695,393	157	$398,959,742	124	$371,422,945	23	$31,853,273	3,790	657,247	$11,576,821
Transit Capital Assistance	$33,798,236	$14,024,921	$595,832	6	$3,188,448	6	$3,113,388	6	$3,113,388	1	$4,940	86	15,212	$325,148
Total	$530,115,542	$434,444,006	$141,917,257	189	$423,280,995	174	$410,843,276	138	$382,705,029	24	$31,858,213	4,011	695,237	$12,628,773

*Consistent with the U.S. Department of Transportation's reporting requirements, this figure is based on direct, on-project full-time-equivalent (FTE) job months. FTE job months are calculated by dividing cumulative job hours created or sustained by 173 hours (40 hours per week times 52 weeks divided by 12 months = 173 hours).

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained (Full-Time-Equivalent Job Months)*	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Oregon														
Clean Water State Revolving Fund	$44,271,018	$36,271,000	$2,149,501	9	$19,565,340	5	$15,565,340	5	$15,565,340	0	$0	54	9,344	$1,779,995
Fixed Guideway	$1,125,728	$1,125,728	$1,125,728	0	$0	0	$0	1	$1,125,728	1	$1,125,728	121	20,887	$1,125,728
Highway Infrastructure Investment	$333,002,389	$203,193,305	$50,290,122	176	$166,309,443	175	$166,279,443	169	$164,228,698	44	$4,346,728	2,699	467,889	$15,348,985
Transit Capital Assistance	$92,164,544	$80,562,679	$21,363,817	36	$60,729,436	36	$56,964,063	33	$65,827,504	4	$6,086,572	1,668	289,043	$13,726,177
Total	$471,463,679	$321,152,802	$74,929,468	221	$246,604,219	216	$238,808,846	208	$246,747,270	49	$11,559,028	4,541	787,163	$31,980,885
Pennsylvania														
Clean Water State Revolving Fund	$155,237,544	$176,727,530	$4,870,726	70	$133,145,815	26	$95,006,687	19	$75,821,397	0	$0	291	50,409	$1,210,640
Fixed Guideway	$80,303,844	$67,987,950	$5,875,302	11	$81,557,007	10	$80,850,506	8	$68,284,206	0	$0	147	25,465	$639,756
Highway Infrastructure Investment	$1,026,429,012	$901,492,675	$138,368,761	280	$994,330,518	267	$917,440,230	253	$790,660,045	33	$32,103,668	5,117	886,904	$25,942,322
Transit Capital Assistance	$259,779,964	$186,955,846	$11,774,171	81	$216,980,079	68	$203,164,935	61	$198,938,900	5	$1,278,434	251	43,533	$1,438,945
Total	$1,521,750,364	$1,333,164,001	$160,888,960	442	$1,426,013,419	371	$1,296,462,378	341	$1,133,704,548	38	$33,382,102	5,806	1,006,331	$29,231,663
Puerto Rico														
Highway Infrastructure Investment	$105,000,000	$78,699,027	$0	15	$78,699,027	4	$16,058,292	4	$16,058,292	0	$0	101	17,521	$200,436
Transit Capital Assistance	$58,581,308	$29,708,716	$0	9	$23,225,000	0	$0	0	$0	0	$0	0	0	$0
Total	$163,581,308	$108,407,743	$0	24	$101,924,027	4	$16,058,292	4	$16,058,292	0	$0	101	17,521	$200,436
Rhode Island														
Clean Water State Revolving Fund	$26,314,596	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$63,943	$460,080	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$137,095,725	$125,477,434	$24,424,532	46	$106,866,619	41	$94,049,795	39	$89,744,167	0	$0	911	157,895	$4,510,505
Transit Capital Assistance	$38,001,658	$24,906,000	$0	4	$24,906,000	1	$2,100,000	1	$2,100,000	0	$0	0	0	$0
Total	$201,475,922	$150,843,434	$24,424,532	50	$131,772,619	42	$96,149,795	40	$91,844,167	0	$0	911	157,895	$4,510,505
South Carolina														
Clean Water State Revolving Fund	$40,148,163	$13,869,835	$0	7	$15,869,835	7	$15,869,835	5	$9,852,344	0	$0	0	0	$0
Highway Infrastructure Investment	$463,081,483	$336,508,172	$8,908,000	102	$302,446,346	74	$192,546,346	48	$164,173,836	5	$1,188,339	1,008	174,658	$3,424,870
Transit Capital Assistance	$28,504,202	$19,520,300	$1,008,903	14	$12,251,941	12	$10,821,000	14	$9,939,887	0	$836,064	39	6,771	$60,272
Total	$531,733,848	$371,898,307	$9,916,900	123	$330,568,122	93	$219,237,181	67	$183,966,067	5	$2,024,403	1,047	181,429	$3,485,142
South Dakota														
Clean Water State Revolving Fund	$19,239,066	$19,239,100	$432,649	10	$5,191,282	4	$2,365,124	4	$2,365,124	0	$0	3	576	$14,400
Highway Infrastructure Investment	$163,027,389	$92,833,710	$60,666,908	17	$92,833,710	17	$92,833,710	17	$92,833,710	0	$0	1,684	291,943	$6,383,158
Transit Capital Assistance	$7,372,825	$6,643,706	$3,280,584	34	$3,151,280	34	$3,151,380	34	$3,151,380	24	$161,922	24	4,204	$81,618
Total	$209,639,250	$118,715,516	$64,380,132	61	$101,176,272	55	$98,350,214	55	$98,350,214	24	$161,922	1,712	296,723	$6,479,176
Tennessee														
Clean Water State Revolving Fund	$56,930,445	$43,042,750	$0	1	$6,250,000	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$28,040	$28,040	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$572,701,043	$498,032,058	$107,799,739	221	$478,089,074	216	$472,673,710	215	$471,628,710	0	$0	4,864	843,142	$15,842,725
Transit Capital Assistance	$73,216,802	$59,739,981	$642,363	43	$39,737,652	37	$33,893,292	37	$33,893,292	1	$75,890	13	2,312	$90,664
Total	$702,876,330	$600,842,829	$108,442,102	265	$524,076,726	253	$506,567,002	252	$505,522,002	1	$75,890	4,878	845,454	$15,933,389
Texas														
Clean Water State Revolving Fund	$179,122,284	$22,244,876	$0	4	$54,750,000	1	$7,164,876	1	$7,164,876	0	$0	0	0	$0
Fixed Guideway	$2,609,607	$2,609,607	$0	0	$0	1	$300,940	1	$300,940	0	$0	33	5,640	$225,500
Highway Infrastructure Investment	$2,250,015,146	$1,226,926,147	$109,209,139	411	$1,203,338,756	302	$969,659,858	279	$585,601,966	33	$21,054,477	5,164	895,082	$14,389,193
Transit Capital Assistance	$445,321,068	$425,749,512	$167,744,387	183	$347,570,902	172	$317,977,717	160	$335,538,627	44	$101,842,675	12,949	2,244,517	$66,504,621
Total	$2,877,068,105	$1,677,530,142	$276,944,526	598	$1,605,659,658	476	$1,295,103,391	441	$928,606,409	77	$122,897,152	18,146	3,145,239	$81,119,314

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained (Full-Time-Equivalent Job Months)*	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Utah														
Clean Water State Revolving Fund	$20,650,014	$0	$82,564	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$213,545,653	$151,738,569	$79,858,494	80	$151,738,569	80	$151,738,569	77	$150,038,569	18	$29,872,220	2,116	366,716	$8,237,312
Transit Capital Assistance	$48,333,308	$42,626,563	$17,532,273	1	$5,100,000	6	$42,626,563	6	$42,626,563	2	$15,065,570	1,425	246,990	$5,976,193
Total	$282,529,065	$194,365,132	$97,473,331	81	$156,838,569	86	$194,365,132	83	$192,665,132	20	$44,937,790	3,541	613,706	$14,203,505
Vermont														
Clean Water State Revolving Fund	$19,239,066	$769,564	$185,201	26	$9,451,727	24	$8,399,727	24	$8,399,727	0	$0	23	3,968	$148,142
Highway Infrastructure Investment	$125,791,291	$98,597,711	$42,500,549	33	$98,597,711	32	$83,130,482	27	$72,556,332	1	$1,991,000	1,626	281,823	$6,781,738
Transit Capital Assistance	$5,680,572	$5,680,572	$0	11	$5,680,572	10	$4,986,282	8	$3,244,558	0	$0	0	0	$0
Total	$150,710,929	$105,047,847	$42,685,550	70	$113,730,010	66	$96,516,491	59	$84,200,617	1	$1,991,000	1,649	285,791	$6,929,880
Virginia														
Clean Water State Revolving Fund	$80,203,266	$80,203,300	$37,862	35	$77,720,311	19	$40,542,738	0	$0	0	$0	0	0	$0
Fixed Guideway	$4,209,386	$437,148	$437,148	1	$437,148	1	$437,148	1	$437,148	1	$437,148	24	4,108	$195,894
Highway Infrastructure Investment	$694,460,823	$318,282,149	$14,874,923	39	$337,814,915	23	$181,468,667	18	$119,609,391	0	$0	705	122,193	$2,253,086
Transit Capital Assistance	$68,357,834	$55,133,488	$2,603,201	41	$39,433,823	33	$34,406,539	19	$30,918,528	1	$60,000	1,122	194,508	$4,443,287
Total	$847,231,309	$454,076,085	$17,952,134	116	$455,406,197	76	$256,855,092	38	$150,965,067	2	$497,148	1,851	320,809	$6,891,267
Virgin Islands														
Clean Water State Revolving Fund	$2,060,000	$1,962,700	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$18,000,000	$10,608,198	$47,649	4	$17,608,198	1	$3,597,068	1	$3,597,068	0	$0	0	0	$0
Transit Capital Assistance	$1,284,112	$1,284,112	$1,788	5	$1,134,112	0	$0	0	$0	0	$0	0	0	$0
Total	$21,344,112	$13,855,010	$49,437	9	$18,742,310	1	$3,597,068	1	$3,597,068	0	$0	0	0	$0
Washington														
Clean Water State Revolving Fund	$68,152,905	$22,974,618	$0	1	$22,974,618	1	$22,974,618	0	$0	0	$0	0	0	$0
Fixed Guideway	$6,699,276	$3,456,735	$1,174,413	1	$1,174,413	1	$1,174,413	5	$1,174,413	1	$1,174,413	37	6,386	$192,818
Highway Infrastructure Investment	$492,242,337	$356,940,934	$49,324,072	168	$349,660,960	161	$301,669,631	143	$231,799,674	44	$27,570,408	4,386	760,167	$28,285,976
Transit Capital Assistance	$168,681,185	$168,681,185	$14,630,078	35	$98,226,541	28	$125,678,636	30	$74,901,232	9	$43,114,802	5,466	947,428	$28,254,643
Total	$735,774,893	$552,053,472	$95,128,563	205	$472,036,332	191	$450,487,300	178	$307,876,019	54	$71,859,623	9,888	1,713,981	$57,743,437
West Virginia														
Clean Water State Revolving Fund	$61,892,108	$24,329,783	$3,094,835	30	$54,622,929	15	$24,329,783	15	$24,329,783	0	$0	193	33,473	$1,910,291
Fixed Guideway	$309,339	$309,339	$0	1	$309,339	1	$309,339	1	$309,339	0	$0	33	5,722	$148,433
Highway Infrastructure Investment	$210,852,204	$193,956,000	$44,440,139	106	$193,407,000	93	$155,261,000	81	$153,935,000	9	$11,268,000	754	130,619	$3,926,878
Transit Capital Assistance	$18,366,136	$13,935,378	$2,842,456	69	$10,261,295	82	$9,758,876	76	$7,825,637	19	$2,519,990	41	7,056	$113,069
Total	$290,619,787	$232,530,500	$49,377,430	206	$258,600,563	191	$189,658,998	173	$186,399,759	28	$13,887,990	1,020	176,870	$6,099,573
Wisconsin														
Clean Water State Revolving Fund	$103,848,315	$2,280,000	$0	51	$101,790,371	51	$101,790,371	22	$59,657,740	0	$0	0	0	$0
Fixed Guideway	$243,232	$0	$0	1	$243,232	1	$243,232	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$529,111,913	$357,384,776	$90,156,690	219	$357,111,640	203	$356,815,680	196	$354,718,463	0	$0	3,025	524,328	$14,227,300
Transit Capital Assistance	$79,249,652	$35,061,216	$12,333,373	26	$41,567,206	13	$36,436,632	12	$27,629,330	0	$0	0	0	$0
Total	$714,553,114	$394,645,992	$102,472,063	297	$500,712,449	268	$495,285,915	230	$442,005,533	0	$0	3,025	524,328	$14,227,300
Wyoming														
Clean Water State Revolving Fund	$19,239,066	$19,239,100	$0	9	$7,560,528	4	$3,065,528	3	$1,384,312	0	$0	23	4,001	$586,885
Highway Infrastructure Investment	$157,616,058	$156,316,058	$33,189,976	63	$155,911,058	61	$155,576,440	60	$153,086,944	4	$5,822,086	1,961	339,850	$7,129,033
Transit Capital Assistance	$9,300,399	$4,610,315	$85,544	17	$4,357,165	16	$4,336,717	16	$4,336,717	0	$0	11	1,963	$81,717
Total	$186,155,523	$180,165,473	$33,275,520	89	$167,828,751	81	$162,978,685	79	$160,807,973	4	$5,822,086	1,995	345,814	$7,798,535

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T&I Committee Transparency and Accountability Information by State under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (Recovery Act) Submissions Received by T&I Committee (Data Reported as of September 30, 2009)

Percentage of Allocated Funds Associated with Project Stages

Clean Water State Revolving Fund

	Out to Bid	Under Contract	Underway	Average*	Average Rank
Minnesota	96.5%	96.5%	96.5%	96.5%	1
Colorado	90.2%	90.2%	90.2%	90.2%	2
Arizona	88.8%	88.8%	83.8%	86.3%	3
Maine	83.4%	80.9%	80.9%	81.5%	4
Wisconsin	96.1%	96.1%	56.3%	76.2%	5
Connecticut	76.0%	59.7%	59.7%	63.8%	6
Florida	81.4%	61.1%	54.1%	62.7%	7
Pennsylvania	85.8%	61.2%	48.8%	61.2%	8
California	73.4%	73.4%	38.3%	55.9%	9
North Carolina	69.5%	51.3%	51.3%	55.8%	10
Montana	72.8%	53.1%	43.3%	53.1%	11
West Virginia	89.4%	39.8%	39.8%	52.2%	12
Vermont	49.1%	43.7%	43.7%	45.0%	13
Nebraska	43.0%	43.0%	43.0%	43.0%	14
Oregon	44.2%	35.2%	35.2%	37.4%	15
Virginia	96.9%	50.5%	0.0%	36.9%	16
Illinois	74.2%	27.0%	19.8%	35.2%	17
Michigan	46.7%	30.5%	30.5%	34.5%	18
Maryland	77.3%	19.6%	19.6%	34.0%	19
New Mexico	32.1%	32.1%	32.1%	32.1%	20
South Carolina	39.5%	39.5%	24.5%	32.0%	21
Alabama	31.4%	31.4%	27.4%	29.4%	22
Iowa	44.2%	23.6%	23.6%	28.7%	23
Oklahoma	42.3%	21.4%	19.5%	25.7%	24
Missouri	100.0%	0.0%	0.0%	25.0%	25
Nevada	21.9%	21.9%	21.9%	21.9%	26
Indiana	41.8%	15.1%	15.1%	21.8%	27
Hawaii	52.6%	28.1%	0.0%	20.2%	28
Wyoming	39.3%	15.9%	7.2%	17.4%	29
Washington	33.7%	33.7%	0.0%	16.9%	30
Idaho	16.4%	16.4%	16.4%	16.4%	31
New Hampshire	63.4%	1.9%	0.1%	16.3%	32
South Dakota	27.0%	12.3%	12.3%	16.0%	33
Ohio	18.1%	13.3%	10.5%	13.1%	34
New Jersey	29.3%	6.9%	6.9%	12.5%	35
New York	17.3%	8.6%	8.6%	10.8%	36
Texas	30.6%	4.0%	4.0%	10.6%	37
Massachusetts	10.5%	9.8%	9.8%	10.0%	38
Kansas	15.6%	5.1%	5.1%	7.7%	39
Louisiana	22.2%	0.0%	0.0%	5.5%	40
Alaska	9.5%	9.5%	0.0%	4.7%	41
Kentucky	3.6%	3.6%	3.6%	3.6%	42
Tennessee	11.0%	0.0%	0.0%	2.7%	43
Arkansas	0.0%	0.0%	0.0%	0.0%	51
Delaware	0.0%	0.0%	0.0%	0.0%	51
District of Columbia	0.0%	0.0%	0.0%	0.0%	51
Georgia	0.0%	0.0%	0.0%	0.0%	51
Mississippi	0.0%	0.0%	0.0%	0.0%	51
North Dakota	0.0%	0.0%	0.0%	0.0%	51
Rhode Island	0.0%	0.0%	0.0%	0.0%	51
Utah	0.0%	0.0%	0.0%	0.0%	51
National	47.6%	30.0%	22.8%	30.8%	

* To calculate averages, the Committee gave one-fourth weight to the percentage of allocated funds associated with projects out to bid, one-fourth weight to the percentage of allocated funds associated with projects under contract, and one-half weight to the percentage of allocated funds associated with projects underway.

PROGRESS REPORT ON WATER RESOURCES INFRASTRUCTURE INVESTMENT

Wednesday, November 4, 2009

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The Subcommittee met, pursuant to call, at 10:00 a.m., in Room 2167, Rayburn House Office Building, Hon. Eddie Bernice Johnson [Chairwoman of the Subcommittee] presiding.

Ms. JOHNSON. Good morning. The Committee will come to order. Today's hearing will focus on implementing the American Recovery and Reinvestment Act of 2009. More specifically, we will review how water-related infrastructure investments have already succeeded in placing workers back on the job all across the Nation. We will also emphasize how Federal agencies, States and their local partners can do more to ensure that these funds are used quickly, efficiently, and in harmony with the job-creating purposes of the Recovery Act.

Successful implementation of this legislation is essential to our collective efforts to turn our economy around and create good, well-paying jobs in America.

Today, we will hear from Federal, State and local officials charged with the implementation of the Recovery Act programs that utilize water infrastructure-related funding. I am particularly pleased that we will be hearing today from the newly confirmed assistant Secretary of the Army for Civil Works, Ms. Jo-Ellen Darcy. Ms. Darcy has a long history of working with this Committee as well as a staffer on both the Senate Finance Committee and Senate Environment and Public Works Committee. She also is integral to efforts by the other body to move several water resources development acts through the process over the years.

Let me congratulate you for your confirmation and look forward to working with you.

I am happy to report today that the $4 billion provided by the Recovery Act for clean water State revolving fund programs, the Environmental Protection Agency has awarded $3.98 billion in capitalization grants to States. This represents nearly 100 percent of the total available funds. These important funds are allocated to individual States to construct, rehabilitate and modernize our Nation's wastewater infrastructure. And further, I would like also to report that as of September 30, 2009, a total of 873 clean water State revolving fund projects in 43 States have been put out to bid,

totaling $1.8 billion. That is 48 percent of the total available funds for clean State revolving fund projects.

Of these 873 projects that have been put out to bid, 530 clean water fund projects in 40 States are already under contract. Work has begun on 394 projects in 36 States totaling $872 million. Monitoring the amount associated with projects out to bid, under contract, and underway helps us measure the Recovery Act's progress. Unfortunately, critics of the Recovery Act focus exclusively on the amount of outlays of Federal funds. This approach does not provide a good sense of Recovery Act progress because infrastructure projects primarily operate on a reimbursement mode.

For instance, States seek reimbursement for wastewater infrastructure projects only after construction is underway. Since Federal outlays may come months after jobs are actually created and construction has begun, outlays are a lagging indicator of Recovery Act progress.

While the numbers are promising, I encourage EPA to continue to take a greater role in facilitating further expenditures of clean water State revolving funds by individual States. I also would like to hear about the steps EPA and individual States are taking to ensure that all States meet the February 17, 2010 deadline for awarding contracts or proceeding to construction on their clean water State revolving fund projects. EPA has achieved greater success at implementing the Superfund program and comprehensive initiative to clean up the Nation's hazardous waste sites, of the $600 million provided for the Superfund program, EPA has provided $573 million to existing contracts for 56 projects in 28 States. That is 98 percent of the total funds for the Superfund cleanup.

And finally, the $100 million provided for the Brownfields program EPA has awarded grants, or provided funds for existing grants or contracts worth $79 million for 176 Brownfields projects in 39 States. This represents 79 percent of the total funds for Brownfields.

The Recovery Act also provided $4.6 billion to the Corps of Engineers. As of September 30, 2009, the Corps has begun work on 731 Recovery Act projects all across the country totaling over $2.2 billion. This represents nearly 50 percent of the total amount of funds allocated to the Corps. My assumption is that all of the Members of this Committee want the Recovery Act to succeed. Every Member of this Committee should want the infrastructure investment made by this Act to improve the economy, to help create and sustain good-paying jobs and to begin the long-forgotten need to invest in our Nation's infrastructure.

I see hopeful signs in today's testimony, but I remind all of our witnesses that more must be done to ensure these funds have their intended effect. I now yield to my Ranking Member, Mr. Boozman, for any statement he might have.

Mr. BOOZMAN. Thank you, Madam Chair, for holding this very important hearing. Whether you voted for the American Recovery and Reinvestment Act or opposed the legislation, we in Congress have the responsibility to ensure the money is spent for its intended purposes.

Some of the stimulus expenditures are of concern. For instance, the administration has sent more than $2.5 million in stimulus

checks to the deceased, spent $1 million to build bike lockers and a bike garage in Portland Oregon, and 1.3 million in Maine for basket makers, storytellers and a music festival and spent more than $9 million to restore an abandoned train depot in Lancaster, Pennsylvania.

Some might try to rationalize these expenditures, but it is hard to see how they can be as beneficial as investment in harbor maintenance, locks and dams, levee repairs and wastewater treatment plants. While some have credited the stimulus package for the 3.5 percent grown in GDP for the last quarter, for many families in America, the recession is far from over as unemployment continues to rise. The national conference on State Legislatures recently reported that 27 States are forecasting shortfalls for fiscal 2011, the total at least $61 billion with five more States predicting unspecified budget shortages.

Given the fact that the transportation projects and other infrastructure projects like flood damage reduction projects, wastewater treatment projects provide economic benefits to the Nation, the administration and the Congress should have placed a higher interest in the work of the Army Corps of Engineers' and EPA's clean water State revolving loan fund and Brownfields programs. All these projects put people to work which is another reason to put these investments high on the priority list.

Since the stimulus bill shortchanged infrastructure investment, we have to conduct rigorous oversight on the allocation of these scarce resources and make sure that taxpayers' moneys are spent wisely. And I commend Chairman Oberstar, the Chairman of this Committee, again for having an important hearing such as this so that we can do that.

On a very positive note, I want to thank the Corps for working in a way I think that has really been exemplary. We had a situation that the Corps and the USDA needed to get together and expedite some things, and I think that is the kind of model that we desperately need. Those kind of things, as we seek to work together, the different agencies, cut through the red tape so that we can get these projects moving is so important.

And I am very familiar with the specific situation where again the Little Rock Corps, the Corps has acted very, very well, USDA has done a tremendous job. So those are the kind of things that I think we are looking for. So with that I yield back the balance of my time. Thank you, Madam Chair.

Ms. JOHNSON. Thank you very much. The Chair will now recognize Mr. Teague. Mr. Teague was instrumental in getting his mayor here today. So, he will probably have some words about him as well.

Mr. TEAGUE. Thank you very much, Madam Chairwoman, for holding this meeting and you know bringing to light the good things that have come from this bill and everything, and I appreciate the recognition, and I am also very proud today to welcome my friend and my fellow New Mexico elected official and my constituent, Mayor Ray Numbly of Druids to the House Transportation and Infrastructure Committee to testify about the impact that wastewater infrastructure funds and the American Recovery and Reinvestment Act have had in my district.

I ran for Congress not to be a voice at one of the political extremes, but to be a can-do worker, problem solver and representative for the communities in my district. Well, as soon as I was elected, Mayor Nunley came to me with a problem that needed solving. His town, Ruidoso, had been ordered to complete a wastewater project that would cost $36 million. And that might not seem so extraordinary to many of my colleagues who represent larger population centers, but Ruidoso has a population of approximately 10,000 permanent residents. How are 10,000 people, along with the residents of Ruidoso Downs supposed to finance a $36 million wastewater project? The answer, in this case, is to work in concert with the Federal and State officials to take full advantage of the American Recovery and Reinvestment Act.

Earlier this year, the Ruidoso project received $6.6 million in ARRA funds which the mayor and his colleagues pooled with local, State and other Federal money to get the project off the ground. There are men and women in hard hats building that facility as we speak. It is one of six ARRA wastewater projects that we hope to see in my district. Mayor Nunley represents the kind of responsible, can do, small town local officials we have many of in my district. I am proud to be here with him today and look forward to his testimony.

Thank you. And I yield back.

Ms. JOHNSON. The Chair now recognizes Mr. Cao.

Mr. CAO. Once again, on behalf of my constituents in Orleans and Justin parishes, I would like to extend my thanks to the Chairwoman and also to the Ranking Member for holding this important hearing today. My district is still contending with the aftermath of Hurricane Katrina, especially in regards to the issue of storm protection. As you know, my district has been waiting for almost 4 years for the Army Corps of Engineers to install storm protection mechanism as mandated by Congress.

In June of 2006, temporary hydraulic pumps with gates were constructed at Lake Pontchartrain. Critics say these are not the most reliable options and would question their ability to pump and protect the city. Others say we can do an adequate enough job over the next 3 to 5 years. In June, 2007, I-walls were replaced at the points of breach after Katrina, the 17th Street, Orleans Avenue and the London Avenue canals.

On June 15, 2006, congressional funding for 100-year-storm protection was signed into law with the Emergency Supplemental Appropriations Act For Defense, the global war on terror and the Hurricane Recovery of 2006. Specifically, Congress appropriated $804 million for the Army Corps of Engineers to build pumping stations at the 17th Street Orleans Avenue and London Avenue canals. Additionally, supplemental spending were authorized and funded fortifications of existing, internal pumping stations systems city wide.

Under this authorization, the Corps studied three options for delivering this increased storm protection, options 1, 2 and 2(a).

Option 1 would create a pump at Lake Pontchartrain and no other engineering or buildout of walls. Option 2 would build a new pump at Lake Pontchartrain deepening and widening the canals and thickening out the internal pumping stations. This pump would have to lift water up extra 5 feet from the outfall canal due

to it being widened and deepened. The pump specifications would require more horsepower and would provide pumping capacity of 12,500 cubic feet per second. Option 2(a) would be the same as option 2 with an additional pumping station to pump areas of Old Metairie to the Mississippi River.

I know that this is a contentious issue between the Army Corps of Engineers and the State of Louisiana. I hope that through this hearing as well as through my questioning, we can address some of the issues that I am concerned with; one, the controversy between option 1, options 2 and 2(a), as well as some of the delays that I have seen in regard to with the Army Corps of Engineers and some of the other issues that would I like for the panel to discuss in connection with hurricane protection as well as other projects that are water related.

So again, I would like to thank the Chairwoman and the Ranking Member for holding this hearing, and I hope that the Recovery Act money will be implemented in a way that will provide greater protection for my people in the Second District of Louisiana. So thank you very much.

Ms. JOHNSON. Thank you very much. The Chair will now recognize the distinguished Chair of the Full Committee, Mr. Oberstar.

Mr. OBERSTAR. Thank you, Madam Chair, for holding this hearing, and Mr. Boozman for continuing on the commitment that I made and my colleagues on our side made at the outset of the year in supporting and advancing the stimulus as we did through programs under the jurisdiction of our Committee.

We have held, as promised, hearings starting 60 days from signing into law every 30 days hearing on the progress made by the various agencies and the State administrators of programs such as DOT, metropolitan planning organization, State revolving loan funds and aviation authorities, and I can say that we have a very good track record to point to. I keep a report card in my pocket. Any time anybody asks me, I have it right here, it is 30 days behind time right now, but we are updating that. February 17 seems like 2 years ago, but it was February 17 the President signed the bill into law.

Thirteen days later, State DOTs are notified of their formula funding allocations. Federal Highway Administration on that very day approved its very first project out here in the Maryland suburb of Silver Spring. Sixteen days later, State DOTs, cities and public transit agencies were notified of their transit formula funding allocations. And 27 days after signing, the first transit project was approved in rural Kentucky and the second in Missouri.

Since then, we have 6,700 highway and transit projects on which work is underway, under contract, on the job, people working, 165,496 direct jobs that are accounted for, that have been paid $6.5 billion in payroll. Those are workers getting a paycheck not an unemployment check. They have paid so far $900 million in Federal taxes alone. So they are not tax eaters, they are taxpayers. They are not unemployment check recipients, they are payroll check recipients.

In addition to those 165,496 direct jobs, there are another 125,000 jobs in the supply chain, in the sand and gravel pits, that are supplying aggregate to the contractors, the cement plants that

are supplying cement for ready mix facilities and asphalt suppliers to the asphalt cement sector and rebar for reinforcing rods in the concrete highway work being done.

In fencing, in fence posts, in guard rails, in I beams for the bridges, all of that is supply chain jobs being produced in this country at the steel mills. In my district alone, let's say a tertiary effect is that when the steel mills go back into operation and begin producing steel, they need iron ore to make the steel. So the iron ore mines in my district, which have been shut down since summer of 2008, have called people back to work, have called all but one mining operation.

And that has meant in addition railroad jobs to haul the iron ore from the mines to the Port of Duluth-Superior and that, in turn, means every shipload that goes out is 21 additional mariner jobs who were laid off since last summer.

So we have, I think, a very, very positive story to tell: 67 percent of the total funding is out to bid, as the charts show; 33 percent is committed to contracts, 11-1/2 billion, not yet out to bid, but under the provisions of the Act, still within the timeframe.

The numbers don't show up in the waste, in the subject of today's hearing, the numbers don't show up as quickly because States do not seek reimbursement until, for their clean water State revolving loan fund projects until after construction is underway, similar for the highway program. It is a reimbursement program. States, State DOTs advertise for bids, award bids, they have a time delay for bid contests, there haven't been any that I know of, and then they award the contract, work gets underway.

The contractor bills the State. The State then submits its voucher to the Federal Government. The same with the State revolving loan fund. Projects out to bid, under contract, underway those are the better measurements of progress.

In our State of Minnesota, where the State public facilities authority under the direction of Terry Coleman and Jeff Freeman, who have been doing this work for 25 years, they took their $73 million in wastewater treatment funds and additional monies in the drinking water funds and leveraged it into a $502 million program. They have virtually every project under contract, and I have looked at the list, they are small towns, 2,500 under population who only had primary treatment, settling ponds that are 40 or 50 years old in some cases.

In one case, a city didn't have any sewer system at all. All they had were mound systems and septic tanks leaking into groundwater. They are not getting sewer, sewage treatment plant, cleaning up the groundwater, cleaning up the surface water, huge benefits for future generations.

So, of the roughly $4 billion for the SRF program, total of 873 clean water projects in 43 States have been out to bid for a total of $1.8 billion. And that is 48 percent.

Now there was a delay and I was unhappy with this getting underway because of the Buy America provision. And I am happy to report, I have had some conversations, some of you may have had with our members of the Canadian Parliament, the minister of trade for Canada came in, the prime minister was here for a visit, and I said [speaking French].

I said we are one country in North America, we are a single economy, but we have different systems. And those issues have now been to resolved. The result has been that new American manufacturers have taken hold. There is a process of treating waste with ultraviolet lighting, they said oh, we don't have such systems. And do you know what? Within 30 days, there was an American company that perfected the process, got up and running. They are operating and they are making the equipment. And those are additional jobs created by stimulus by the Buy America provision.

Pushed American ingenuity rises to the challenge.

And, we have seen the—just in summary—and I also want to say that the bids are coming in lower, 25 percent lower on highway and transit projects and on wastewater treatment prices so that Minnesota's $500 million may reach to $600 million and the same with other States.

We have overall, in the GSA, the aviation projects, most of which are that is 100 percent of the aviation funds are under contract and about half of those have been completed already because airport authorities can move faster, those of you, Mayor, I am sure you would welcome such an opportunity, they can advertise for bids, take the bids, award the bids and hold the contract for up to a year, while all of a sudden the money appeared like manna in the desert for the Israelites in the Old Testament.

And now they have got the money and they awarded the contract and work was underway and completed. Completed. And they go on to the next project. So aviation funds have been very expeditiously committed, total, 13,313 transportation, nontransportation, projects, $42.5 billion, 66 percent, over two-thirds of all the money is under contract, underway, jobs, and as I said earlier, they are not only working, $6.5 billion in payroll has been paid out, but those workers have paid $900 million in Federal taxes so far.

Not only are they not drawing an unemployment check, they are getting a payroll check and they are paying taxes on it and they are contributing, and they are buying.

I tell a touching story of Joyce Fisk, a truck driver for a contractor in Minnesota, working on Interstate 35, in the southern end of my district. I went up to the job site. The foreman called the truck over. It was one of the great big belly dumpers. And Joyce was driving that truck. She jumped out, she said ″Oh, you're Jim Oberstar, oh.″ She gave me a big hug and said ″Thank you, I am back at work. Six weeks ago, my husband and I were sitting across the dinner table looking at each other, where do we go now? Our unemployment checks are gone. Our health insurance ran out in December. Thankfully we haven't had an illness in the family. We have got 2 months savings to pay the mortgage for the next 2 months. What are we going to do with the boys? We have two boys.″ They usually send them to summer camp.

We hugged each other, cried, and just sat there. And the next day, Knife River construction called and said report for work next Monday. We won a stimulus bid. And now, she said, if I can get 1,200 hours on the job, I will have my health insurance restored. My husband will have his restored. We are paying the mortgage out of our earnings. And yes the boys went to summer camp.

There are thousands of these human interest stories all over America. Putting people back to work. And while I have been patient with some of the slowness of getting started, some of the difficulty that States have had, not the Federal, Federal funds all went out. States have dragged their feet on it. We have had a report card, and we have reported on those States, and we have called them to account. And within 30 days they turned around. They got projects out to bid and on the job. That is the way this program is supposed to work.

I called the county engineers in my district together and I said, I expect you to get this program working. All of you have a job. You have got a payroll. There are 30,000 construction workers in Minnesota who don't. Your job is to put them to work. By damn, they got the message and they are doing it. And we are going to stay on this all the way through this program. That is the purpose of this hearing.

And Mr. Cao, I understand your frustration. But those are 100 percent Federal funds. They should be put out, they have been awarded under the disaster relief program, those projects, Lake Pontchartrain and the pumps and all the rest that you're talking about that is vital, there is no reason that work shouldn't be underway and we will work with you to make sure that that happens.

I thank my colleagues for their indulgence for my enthusiasm this morning.

Ms. JOHNSON. Thank you very much. The Chair recognizes, Mr. Brown.

Dr. Ehlers.

Mr. EHLERS. Thank you, Madam Chair. Just a quick question, I know this is not appropriate during an opening statement but I am very concerned about how much of the money is going to the Great Lakes and I hope you will cover that issue from both standpoints obviously. One concern, the Corps of Engineers project, is the pole-sized log which we have authorized, close to a decade ago in this Committee, and I understand that still not, no action is being taken out of the funds that have made been made available to start getting construction on that job. Michigan has the highest unemployment rate of any State of the Nation. I would think that it would be a high priority to steer money to Michigan. And there isa golden opportunity, a project waiting to go as far as I know. And I would hope the Corps would get to ball in that point and take action soon.

Also, the Great Lakes issue has continued to affect a lot of people. And, I know we have some visitors here from Arizona and New Mexico who would love to have part of the Great Lakes, and would love to have the problems we are having. But clearly, the pollution problems that are there have to be addressed. And I would hope that some of the stimulus money is going there as well.

And so, I hope the EPA, I know you have allocated additional funds for the Great Lakes, but I hope they accomplish two things, one is to improve the environment, and the other is to put people back to work, which is sorely needed in our State.

So, since I probably won't be able to stay long enough to ask you those questions, I, at least, wanted to make those points. And if

you wish to respond in writing, I would very much appreciate it. Thank you very much, and I yield back.

Ms. JOHNSON. The Chair recognizes, Mr. Hare.

Mr. HARE. Thank you, Madam Chair. I want to thank you and Ranking Member Boozman for holding this important briefing today, and I want to commend you for the sense of duty you have in leading this Committee in effective oversight of the implementation of this landmark legislation, the American Recovery and Reinvestment Act, and its funding of crucial water resources and infrastructure projects. As we all know, the current economic slowdown has caused the loss of many jobs and the downturn of many sectors. These factors and others have caused many economists to call the current situation the worst since the Great Depression.

While we are still battling the causes and effects of the slowdown, the American Recovery and Reinvestment Act of 2009 has provided crucial funds to strengthen the infrastructure and workforce of this Nation. Included in the Recovery Act is $13.5 billion for existing Federal programs that invest in water infrastructure programs or provide assistance to States for such projects.

Five Federal agencies and one commission have been provided with funds from the Recovery Act for water resources and infrastructure projects. U.S. Army Corps has received $4.6 billion, the Bureau of Reclamation $1 billion, U.S. Department of Agriculture, natural resource conservation service, agricultural watershed program has received $340 million, and $220 million has been allocated for the Department of State's international and water boundary commissions levee and damn upgrades.

As I speak, these Recovery Acts are delivering infrastructure improvements that are creating jobs and strengthening this economy. I am proud to say that my home State of Illinois is currently benefiting from the numerous Recovery Act investments. As of late August of this year, the State has been allocated $179 million from clean water State revolving fund, $79.5 million from the drinking water revolving fund, and these Recovery Act funds are improving the water infrastructure and resources of the 17th District of Illinois and will continue to invest even more in the economic development of west central Illinois and across this country.

It is now upon the Subcommittee to ensure that these crucial Recovery Act funds are being used effectively. I look forward to hearing from our witnesses this morning. I would like to again thank Chairman Oberstar, our Chair and Ranking Member Boozman for holding this important and educational hearing. I look forward to our testimony. Thank you very much, Madam Chair, and I yield back.

Ms. JOHNSON. Thank you very much. Mr. Hall.

Mr. HALL. Thank you, Madam Chair and Chairman Oberstar for being here as well, and the Ranking Member for holding this hearing. Thanks to all of our witnesses on this distinguished panel today.

And before I say anything else, I must say as a representative from New York, we don't have a witness from New York here, so perhaps Director Gritzuk from Arizona could help explain to our State authorities in New York how—I am sorry, in Arizona, how Arizona could have 88.8 percent of their clean water projects out

to bid, whereas we in New York at this point only had 17.3 percent of these projects out to bid.

This project, the stimulus dollars, the bill itself, and especially the clean water revolving loan fund, was intended to create jobs as well as to clean up our water. And this is not a time to take your time with contracting processes. We should get these jobs started.

I have seen in the last year the requests to my offices in the district go to well more than the majority water requests from the 43 municipalities I represent, either problems with wastewater facilities or drinking water facilities and drinking water quality.

I am also concerned that we see a more robust investment in renewable sources of energy that do not emit CO2 and that increase our energy efficiency, an issue I pursued since coming to Congress.

When we passed the Recovery Act last winter, I was pleased to see the green reserve as part of the clean water and safe drinking water State revolving loan funds. The eligible activities under this section include allowing water utilities and local governments to invest in energy efficiency upgrades. I am pleased that in my district, the city of Beacon, will use recovery funds to install 400 noise logging leak detectors along 60 miles of distribution mains saving energy and water. These will help the city to identify and reduce their losses of water and save the energy that is required to run pumps.

In Duchess County, the county will use Recovery Act funds to redirect storm water to bioretention and filtration areas from interior roads and parking lots that would otherwise just run off into storm drains and cause flash flooding, which we have experienced more and more of in recent years.

At the Beakman and east Fishkill town halls, projects like this are being done to reduce storm water impacts to the Fishkill Creek, which is flooded. By the way, the Corps of Engineers is doing a study on that and the other creeks in Duchess County to see what can be done to prevent these small but quick rain events resulting in flash floods. So I am curious as to how many of the projects are that funded under the SRF Green reserve were directly related to energy efficiency as well as water efficiency and how those projects benefit clean water and increase the safety of our drinking water in the communities I represent.

I look forward to your testimony, and especially look forward to hearing from Arizona as the Number 3 State as how they could instruct New York, which is ranked number 36 in terms of the speed with which we have gotten these funds out, put people to work and started to fix our drinking water problems. I yield back.

Ms. JOHNSON. Thank you very much. We will now go to our witnesses. We have one panel, the Honorable Jo-Ellen Darcy, assistant secretary of the Army for Civil Works, U.S. Corps of Engineers of Washington, Ms. Nanci Gelb, deputy director, Office of Ground Water and Drinking Water, Office of Water, U.S. Environmental Protection Agency, Washington, Secretary John Hanger, Pennsylvania Department of Environmental Protection, Harrisburg, Pennsylvania; Mayor L. Ray Nunley, City of Ruidoso, Ruidoso, New Mexico, and Mr. Michael Gritzuk, director of the Pima County Regional Wastewater Reclamation Department, Tucson, Arizona.

TESTIMONY OF HON. JO-ELLEN DARCY, ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS, U.S. CORPS OF ENGINEERS; NANCI GELB, DEPUTY DIRECTOR, OFFICE OF GROUND WATER AND DRINKING WATER, OFFICE OF WATER, UNITED STATES ENVIRONMENTAL PROTECTION AGENCY; SECRETARY JOHN HANGER, PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL PROTECTION; MAYOR L. RAY NUNLEY, CITY OF RUIDOSO, RUIDOSO, NEW MEXICO; AND MICHAEL GRITZUK, DIRECTOR, PIMA COUNTY REGIONAL WASTEWATER RECLAMATION DEPARTMENT

Ms. JOHNSON. You will be recognized in the order which your names were called. And I now recognize Secretary Darcy.

Ms. DARCY. Thank you, Madam Chairwoman, Ranking Member Boozman, Chairman Oberstar and distinguished Members of the Subcommittee. I am Jo-Ellen Darcy, the Assistant Secretary of the Army for Civil Works. Thank you for the opportunity to testify before the Subcommittee today to discuss the implementation of the civil works appropriations in the Recovery Act. I will summarize my statement here and ask that my full statement be entered into the record.

The Recovery Act provides funds to meet the intent of the President and Congress to quickly put our fellow citizens to work and to help in the recovery of the Nation's economy. Using Recovery Act funds to carry out work on Corps of Engineers civil works projects already has begun to contribute to the Nation's economy, environment, safety and the quality of life. The Recovery Act provides funding to the Corps to accomplish these goals through the development and restoration of the Nation's water and related resources. There is also funding to support permitting activities for protection of the Nation's regulated waters and wetlands and cleanup of sites contaminated as a result of the Nation's early efforts to develop atomic weapons.

Total Recovery Act funding of $4.6 billion for civil works is provided in six accounts. We have $2.075 billion for our Operation and Maintenance account, $2 billion in the Construction account, $375 million in the Mississippi River and Tributaries account, $25 million in the Investigations account, $25 million in our Regulatory account and $100 million in the Formerly Utilized Sites Remedial Action Program.

The Corps is following the Recovery Act's general principle to manage and expend funds to achieve the Act's stated purposes, including commencing expenditures and activities as quickly as possible consistent with prudent management and consistent with the President's direction to agencies to ensure that Recovery Act funds are spent responsibly and transparently and that projects are selected on merit-based principles.

Nearly all of the $4.6 billion appropriated for civil works has been identified for specific civil works projects and activities. As of October 30, 2009, and this number I am going to give you, is updated from my submitted testimony because that was the September 30th number, but this is the October 30th number, the financial obligations total $2.38 billion which is nearly 52 percent of Recovery Act funds available. As of that same date, outlays had risen to $428 million.

There are 731 civil works projects with Recovery Act funded work underway across 49 States and in Puerto Rico and here in Washington, DC.

Eight recovery projects have been completed to date, including the navigation channel for the Oakland Harbor Deepening Project in California.

Under the environmental infrastructure program, 50 project partnership agreements have been executed around the country for projects with a total Federal cost of $66.3 million. Seventy-five percent of all Recovery Act contract actions have been awarded to small businesses. Of the $2 billion in contracts awarded, 48 percent of the total dollar value was awarded to small businesses.

In addition, larger companies receiving civil works contracts are encouraged to hire local small business as subcontractors.

In addition to selecting civil works projects that will produce long-term benefits to receive Recovery Act funding, projects were selected in part to maximize private sector employment impacts by achieving most work through contracts and by awarding the contracts in a short period of time.

In the Civil Works program where the Corps contracts directly with private firms, the stimulus effects begin with the contract award. This is when the contractor begins to hire workers, order materials and equipment and take other steps to complete the work creating ripples through the economy. As a result, stimulus impacts on the Civil Works program are more closely related to obligation of Recovery Act funds primarily through contract awards rather than through the subsequent outlays which provide payments to contractors only for work they already have completed or for supplies and equipment they already have purchased.

Overall, the investment of civil works Recovery Act funds will directly support approximately 50,000 jobs, although job impacts vary depending on the type of work. In addition to the direct jobs supports, these investments will support numerous indirect jobs in industries supplying material and equipment.

Finally, additional jobs will be supported as the direct and indirect income from Corps contracts generates increased consumer spending.

Just recently I spoke at the opening of a Recovery Act funded project, the Corps' first veterans curation project laboratory in Augusta, Georgia. The Augusta site is the first of three veterans curation project laboratories that the Corps will open with $3.5 million in Recovery Act funding. The labs are an innovative approach to supporting returning and disabled veterans of all branches of the military service with jobs and training in a variety of technical skills. At the same time, the labs will advance the curation of archeological and historic properties that have come into the Corps' possession over the years as a result of construction at its water project sites around the country. Veterans working at the three labs will be trained in computer, photographic and scanning technologies that will be applied to the rehabilitation of Corps archeological collections and their associated records. The technical skills learned at the labs also will be transferable to potential future jobs outside the labs, improving job opportunities for the veterans who work in these labs.

I thank you, Madam Chairwoman, and Members of the Subcommittee for the opportunity to testify, and I would be happy to answer any of your questions.

Ms. JOHNSON. Ms. Gelb.

Ms. GELB. Chairman Johnson, Ranking Member Boozman, Chairman Oberstar and distinguished Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the progress and accomplishments that the U.S. Environmental Protection Agency has made in the implementation of the American Recovery and Reinvestment Act of 2009.

I am here today instead of Craig Hooks EPA's senior accountable official for ARRA, who is home with the flu. My name is Nanci Gelb, and I am EPA's Office of Water, and I have served as the senior official for the Recovery Act overseeing the $6 billion provided to water infrastructure programs.

The Recovery Act provided $7.22 billion for specific programs administered by EPA, the clean water State revolving fund, the drinking water State revolving fund, Superfund, Brownfields, underground storage tanks and the clean diesel programs. The majority of these funds totaling $4.7 billion are specified for programs under the jurisdiction of this Subcommittee, the clean water State revolving fund, Superfund and Brownfields.

Since Mr. Hooks appeared at the Full Committee hearing in July, EPA has made progress and has had significant accomplishments in its implementation of the Recovery Act in distributing funding and in providing support and assistance to recipients working on Recovery Act funded projects.

As you will see in the written testimony, we have several success stories to tell. We have obligated more than $7 billion over 99 percent of the $7.22 billion made available to EPA thus far, and many projects are well underway. As the Agency senior accountable official Mr. Hooks is responsible for meeting the Recovery Act's requirements for oversight, results and unprecedented transparency. And in this role, he leads a stimulus steering committee comprised of senior managers from across the agency to monitor Recovery Act implementation on a weekly basis.

I am pleased to report that this committee has been successful in navigating a number of critical issues including providing guidance on Davis Bacon and Buy America requirements.

To date, EPA has issued three national public interests and 23 project specific Buy America waivers. We expect additional project-specific waiver requests in the coming months and will continue to closely monitor implementation of the Act.

In addition to ensuring appropriate oversight and accountability, EPA has been proactive in providing assistance to States in Recovery Act implementation. For example, EPA's staff is actively involved in reviewing every State SRF program and have already visited 49 States to assess individual project status. We have also made EPA contractors support available to States in order to directly assist communities in need.

Personally, Mr. Hooks and I have reached out to States to offer guidance and assistance in implementing the Recovery Act. Last month, he met with representatives from the National Governors Association to listen to their concerns about the challenges they

face in accomplishing the goals of the Recovery Act. He also sent an e-mail to Recovery Act leads in each State regarding the funding requirements associated with the drinking water and clean water State revolving funds and offered assistance from EPA in answering their questions or in overcoming any issues in order that the States are able to meet the February 17, 2010, deadline.

I have concern about the ability of some States to meet this deadline. Mr. Hooks and I have placed personal calls to officials in several States that appear to be facing challenges in meeting the deadline. During those calls, we explain the process for meeting the requirement and listen to their concerns.

In addition, we have provided guidance and offered additional assistance to each State. We are working diligently to assist States in meeting the deadline in order to avoid having to reallocate funds. However we know that States are working hard to meet this deadline. The State of Minnesota provides an excellent example of States' efforts, Minnesota's public facilities authority and pollution control agency have worked aggressively and today have 88 percent of their available clean water State revolving funds under contract for construction equal to over $70 million. Construction has begun on 18 different projects around the State. This work not only with provide significant improvements to Minnesota's water infrastructure, but provides jobs for its citizens.

Another challenge has been the requirement that States allocate 20 percent of their SRF dollars to promote the implementation of green infrastructure projects. These types of projects support the development of a green workforce and can provide long-term benefits that exceed those associated with traditional environmental infrastructure projects. To date, 14 States have met this requirement totalling more than $355 million. We further expect that the rest of the States will meet the requirements by February 17, 2010.

We look forward to continuing to work with this Subcommittee, our Federal, State and tribal partners and members of the public as we continue to assist our State partners and other recipients to fulfill the goals of the Recovery Act in an efficient and timely manner. Thank you again for inviting EPA to testify here today, and I look forward to answering your questions.

Ms. JOHNSON. Thank you very much.

Mr. Hanger.

Mr. HANGER. Thank you. Madam Chair. I appreciate the opportunity to appear before the Committee. Pennsylvania is certainly being buffeted by the economic storms that started in December 2007 and then took a turn with the worse with the Lehman bankruptcy that threatened a depression in September 15, 2008. A lot of people in Pennsylvania are suffering. We have lost 200,000 jobs. Our unemployment rate is at 8.8 percent, which is actually a full point below the national unemployment rate, but again, a lot of Pennsylvanians are hurting and suffering through no fault of their own.

One Pennsylvania company, USX, an icon of the U.S. economy, for example, went from 100 percent of capacity in the summer of 2008 to 40 percent of capacity by December of 2008. Again, the people who work at USX had nothing to do with that tremendous loss

of demand for their product and the thousands of people that suffered as a result.

Pennsylvania, like virtually every State, has a substantial backlog of water and wastewater projects that need funding. Our infrastructure is aging and needs repair. And investing in water and sewer infrastructure creates so many wins that it is hard to count them all. Water and sewer investments puts people to work right now in manufacturing materials like concrete and steel, water and sewer investment requires engineering and other professional services, water and sewer investment requires construction work, and once completed, water and sewer investments creates facilities that then must be operated 24 hours a day, 7 days per week and 365 days per year.

ARRA specifically has specifically provided $220 million to Pennsylvania for drinking and wastewater infrastructure improvement projects that will help create more than 5,500 jobs throughout the Commonwealth. In addition, in July 2008, the Pennsylvania General Assembly provided $800 million for water and sewer investments and then the voters of Pennsylvania in November of 2008 approved another referendum of $400 million for further investment.

In combination with the ARRA funding, Pennsylvania has already awarded funding for nearly 170 projects. We started doing that in April of 2008. The ARRA money with the State funds is producing an incredible range of good outcomes in Pennsylvania; $38.4 million for seven projects to eliminate direct, discharges of raw sewerage to our streams, $34 million to eliminate 1,216 malfunctioning on-lot systems, including a community in Adams County, where a $5.1 million loan is creating a new wastewater treatment plant; $179 million for 17 projects to eliminate or reduce combined sewer overflows; $105 million for 17 projects to reduce nutrients and sediments to the Chesapeake Bay, like the $5.9 million grant awarded in Huntington County to install improvements to the wastewater treatment plan that will reduce both nitrogen and phosphorus.

In addition, the ARRA required 20 percent of all funds be directed to green infrastructure projects. We have already authorized 62 green infrastructure projects. These projects will save energy, 15 million kilowatt hours, $1.5 million of annual savings; it will save water, 1.5 million gallons of water, it will save reduce pollution 1.3 million pounds of nitrogen, 4 million pounds of phosphorus, reduce carbon emissions 36 million pounds of carbon emissions, it will plant 29 miles of forested buffers to protect our rivers and so on.

In summary, to date, Pennsylvania has put out to bid 85.8 percent of the clean water State revolving fund, we are under contract 61.2 percent of all funds, and we have 48.8 percent of projects underway.

The money that Federal taxpayers have paid is precious money, and Governor Rendell has made it very clear that it is our responsibility to make sure that every single cent do as much good as possible as quickly as possible. And that is what we are working on Pennsylvania every day. We understand that this is an opportunity on, in fact, invest in our future and deliver to our children and grandchildren valuable assets and not simply a debt. This is a real

investment in the future of Pennsylvania and the future of the United States.

We in Pennsylvania are very thankful to you, Madam Chairwoman, and to the Congress for making these funds available, and we are doing our very best to be good stewards of these funds. Thank you Madam Chairman.

Ms. JOHNSON. Thank you very much.

Mr. Nunley.

Mr. NUNLEY. Madam Chairman, Members of the Subcommittee, distinguished Members of the House, thank you for inviting me here. I thank you for inviting me to come and be before you today.

On behalf of the citizens of the Village Ruidoso and the city of Ruidoso Downs, I would like to thank you and your colleagues in the U.S. House for your assistance in securing approximately $6.6 million for the American Recovery and Reinvestment Act for construction of a new wastewater treatment plant. This issue of building this facility has dominated our lives in the upper Rondell Valley for a number of years, and I would like to say that we are now under construction.

The following is a short discussion of this project and the challenges that we faced dealing with the issue. The project is intended to replace an existing regional wastewater treatment plant with a new facility that meets all of the requirements of our various stringent EPA NPDES permit. This facility currently provides services to the village of Ruidoso, the city of Ruidoso Downs and the Mescalero Arrow Apache Indian reservation.

Mr. NUNLEY. I currently provide services to the Village of Ruidoso, the City of Ruidoso Downs and the Mescalero Apache Reservation. The current wastewater treatment plant is approximately 30 years old and has a limited capacity of .54 million gallons per day. The proposed new plant will have a capacity of 2.5 million gallons per day in Phase I and an ultimate processing capacity of 3.75 million gallons per day in Phase II. Phase I is scheduled to be operational through 2015, Phase II through 2030.

More importantly, the new plant will have a capacity to meet the EPA standards—very strict standards by the way—of .1 milligrams per liter of phosphorous and 1.0 milligrams per liter of nitrogen. We are not aware of any other local government, State, or Federal jurisdiction that has both of these standards included in its NPDES permit. The plant is being built to those capacities in order to meet the nutrient requirements of the permit, as well as it being able to provide sewer service to the significant number of tourists and part-time residents that visit during the summer months and other holiday times.

As a result of two lawsuits, the village is required to finish construction by December 2010. And I would like to say that at this point, we are on time with our construction and we are on budget. Phase 1A is a sludge handling facility and was completed October 2009. Phase 1B is a filtration part of the treatment facility and is also under construction. And we also will have a UV operational piece of equipment at the end of the plant whenever it is finished.

The total cost of the project will be 36 million. The cost is being borne by a total population of approximately 10,000 permanent

residents that can increase to over 35,000 on specific holidays and weekends.

In order to meet this very stringent funding requirement to build a facility, the village and the city need to rely on a number of funding sources. The first major funding source was obtained in a series of grants from both EPA and the State of New Mexico appropriations, totaling about 8.5 million from both communities. The second funding source has been general obligation bonds in the amount of 12.6 million for Ruidoso and $500,000 for Ruidoso Downs. As a result, the total bonding capacity of each jurisdiction has now been completely utilized.

The third funding source has been loans obtained through USDA in the amount of 8.7 million for Ruidoso and 1 million for Ruidoso Downs. The final component and most important component has been the $6.6 million allocated through the ARRA program.

In order to repay these bonds and loans, the residents of the village of Ruidoso have added a wastewater fee that is dedicated to repayment. These fees are financially significant and represent approximately a 34 percent increase for a typical residential water and sewer bill. Given the general state of the economy, these additional fees are a burden to many of our residents. But we have also created 85 new jobs to date, going to about 150 when we are in full swing with the construction.

This project included a number of issues which needed to be addressed in order for the project to be commenced. The first issue was completion of the actual design, the PER. The project initially was designed to address phosphorous only. And when we were about halfway complete through that engineering process, we got a note from EPA that we needed to also address our nitrogen standard. Both of these are very strict standards.

The project included a number of issues which needed to be addressed in order for the project to be commenced. The first issue was completion of the actual design. The project initially was designed to address phosphorous only. And when design was—I read that already. I am sorry, Madam Chairman.

Other issues included having to purchase a large portion of the site from the U.S. Forest Service. This action was unanticipated, but completed successfully within the construction time line needed to be in full cooperation and assistance of the Lincoln National Forest.

While there are unforeseen problems, the project has created potential opportunities that may provide long-term solutions to water availability in this part of the Hondo Valley; namely, water reuse. In this type of program, effluent is intercepted along the main interceptor line via scalping plants. The solids are sent to the regional wastewater treatment plant and the grey water directed to a series of potential users and uses, including a recharge of our two lakes, aquifer recharge, irrigation of golf courses and other open spaces. This type of system will allow the village to use the same gallon of water multiple times versus single use that is in place now.

This type of strategy also helps to minimize the impact of the current and any future NPDES permits by reducing the amount of effluent being piped into the river, the Ruidoso. Limiting outflows

of the Ruidoso will make it easier to comply with these discharge standards. Eliminating flow would eliminate the need for a permit altogether.

We, the village of Ruidoso and the City of Ruidoso Downs, would like to let the membership of the House of Representatives know how much the residents of the valley appreciate their assistance and support for the funding provided by the ARRA program. We also want to tell the membership that the residents here appreciate the value of water and its conservation and that we are working diligently to maximize the sustainability of its value to our communities.

If anyone has any questions, they should feel free to call me. My number is on here. I will stand for questions today. And without reading any further, I would like to say that I appreciate, Mr. Oberstar, your exuberance. It was very good. And I want to tell you how much we all appreciate you down in southern New Mexico. Water is a priority down there. And if I had the ability to annex the Potomac, I would do it. Thank you very much.

Ms. JOHNSON. Thank you very much.

Mr. Gritzuk.

Mr. GRITZUK. Chairwoman Johnson, Chairman Oberstar and Ranking Member Boozman and Members of the Subcommittee, thank you for your leadership and commitment to providing increased water infrastructure funding through the American Recovery and Reinvestment Act. It is a great pleasure for me to be here to testify on behalf of the benefits of this program to my utility and to our community of the funding that Congress and the administration provided by passing ARRA. It is also my pleasure to be testifying on behalf of the National Association of Clean Water Agencies.

I would like to begin by thanking Chairman Oberstar, Chairwoman Johnson, and the Members of the Committee and the Subcommittee for their leadership in ensuring that the stimulus bill contained approximately $6 billion for the State revolving loan funds, 4 billion for the Clean Water Revolving Fund and 2 billion for the Drinking Water Fund. So we thank you for that.

As this Subcommittee know, according to the EPA, the CBO and GAO, the Nation's wastewater and water infrastructure faces a daunting funding gap of approximately $500 billion over the next 20 years. When discussions regarding a stimulus package started, NACWA performed a survey of its members, demonstrating that the nation's POTWs had approximately $17 billion in shovel-ready projects that would stimulate the economy and, at the same time, improve the Nation's environment.

The need for funding was further underscored by the impacts to utilities from the most severe economic downturn since the Great Depression, impacts that are still resounding at my utility and utilities across the country.

Given these challenges, funding from the ARRA that my department received has been very, very helpful to us. ARRA funding strongly supported our plant interconnect project, which is a key component of our regional optimization master plan, which primarily is a regulatory driven program. This project connects the department's two major water reclamation facilities for optimal utili-

zation of treatment plant capacity and meets the wastewater needs or wastewater growth needs in Pima County through the year 2030. This is no small accomplishment, taking into account the fact that Pima County has grown by more than 50 percent since 1990.

Funding provided by ARRA made it possible to move forward more expeditiously with this project that includes constructing 5 miles of large-diameter intercepter sewer lines between the two treatment facilities. The project will greatly increase operation flexibility and will have a significant impact on the local economy while improving Pima County's wastewater infrastructure. In fact, the combination of the $8 million in low-interest loans and the $2 million in principal forgiveness provided by the ARRA will result in savings of over $3.2 million in financing costs alone over the 15-year term of the loan, and will supplement an additional $33.1 million in funding that is expected to create approximately 170 to 200 jobs.

The additional subsidization and grant component of the stimulus bill, and grant funding more generally, constitutes sound national policy because it does not require local governments to assume new debt as part of the Federal program to stimulate the national economy. The stimulus funding is a welcome benefit in Pima County where we are experiencing a general unemployment rate of approximately 8.2 percent, an unemployment rate in the construction sector of nearly 17 percent.

While critics might point out that our project would have been completed over time without stimulus funding, which is true, immediate funding contributed to the benefit of increased employment for one of the hardest-hit unemployment areas of the Nation. In addition, the ARRA funding is helping Pima County to put municipal dollars that it saved towards other water quality projects that would have otherwise been delayed, adding additional economic and environmental benefits to our communities.

States are doing everything they can today to get the money out quickly. But it is critical that these efforts be guided by the goals of job creation and shovel readiness rather than just on their preexisting priority criteria or single indicators such as affordability and median household income.

In conclusion, there is little doubt that the investments provided by the ARRA were a good first step in reversing the years of declining Federal investment in our Nation's water infrastructure. Again, I would like to thank this Subcommittee, the Committee for its leadership, and look forward to any questions you may have. Thank you.

Ms. JOHNSON. Thank you very much.

We will start the first round of questions. I would like to say to the Members that we are looking forward to four votes coming up in the next 15 minutes or so. So we might want to speed up our questions so we won't have to have our witnesses wait so long.

I have a question for Ms. Gelb, as well as Secretary Hanger. According to information that has been provided to the Committee by the States, there is a wide range of success among States in getting Recovery Act funding out of the door and getting the projects underway.

In the State of Pennsylvania, for example, over 80 percent of the State Revolving Loan Fund projects are out for bid, and almost 50 percent out for contract, and yet in my own State of Texas, only 4 percent of the projects designated for the revolving fund monies are underway. And, similarly, in the home State of our Ranking Member, Mr. Boozman, I understand no projects are yet underway.

I applaud EPA's role in making sure that these funds move; however, I would like your opinion on why the States are having such a difficult time. I don't know if it is the red tape or whatever. Your testimony notes that EPA has offered assistance to States to help get the money out of the door and States willing to utilize—are the States willing to utilize your assistance?

Ms. GELB. Thank you, Madam Chair. Yes, the States have assisted in a number of ways through Webcasts, through State visits and a number of opportunities. What we are learning is that the numbers may not tell the entire story. The States are in various levels of progress. The numbers right now, while we are not seeing much success in the number, what we are learning from the individual State visits and from my personal calls to States is that many States are in the last months of reviewing and opening bids. And as soon as those bids are opened, they will be putting their dollars under assistance, dollars in contract. And they assure us that they will be able to meet the February 17th deadline.

Mr. HANGER. Madam Chairwoman, in Pennsylvania—I really can only speak to Pennsylvania. I have no knowledge about what is going on in other States. But in Pennsylvania, we have, I think, a number of things that have enabled us to move the money through what is and should be a serious process.

I mean, this is a lot of money, it is public money and it requires proper bidding processes, awarding processes and the like. But in Pennsylvania, we have institutions in place that have a lot of experience, moving water and wastewater projects. Every year we do, in a typical year, around $300 million of wastewater and water projects with State money. So we have an administrative infrastructure in place that is expert at moving projects.

And certainly the stimulus money then was added to the normal course of business in Pennsylvania. And I think that is the main reason why Pennsylvania has been successful in getting a significant number of projects out to bid and under contract.

The second reason is leadership. Governor Rendell has made it very, very clear that Pennsylvania State government, with the Clean Water State Revolving Fund, must do everything that we can to move this money. It is very precious money. We have a lot of Pennsylvanians hurting through no fault of their own. And we also have aging infrastructure. And this is actually a tremendous opportunity to put people to work in our steel and concrete industries and our construction industries and, at the same time, make a significant dent in the backlog of aging infrastructure and pass to our children, again, valuable assets that are going to continue to deliver tremendous public health, environmental, and economic benefits for decades, decades, long after this economic crisis is overcome. And we will overcome this economic crisis in part because of the Recovery Act.

Ms. JOHNSON. Thank you very much.

Mr. Boozman.

Mr. BOOZMAN. Madam Chair, I would yield—let Mr. Brown go ahead and proceed.

Mr. BROWN OF SOUTH CAROLINA. I thank my friend for yielding.

Madam Secretary Darcy, I guess my question would to be you. I represent the coast of South Carolina which has two ports, Charleston and also Georgetown. And we met with Secretary Woodley during the stimulus debate and we were able to get funding for the Charleston Harbor, which is a pretty viable port, but we weren't able to get any money for Georgetown. And Georgetown is a rural—part of Beaufort County, although it—part of South Carolina, but it is a vital port.

We are in a Catch-22 now. In fact, we just had a discussion with the port yesterday, the Governor who came down. And the headlines in the news was ″Port Needs 8.3 Million Plus to Dredge Channel.″ Governor Sanford and this port discussed funding.

The problem we have had with Georgetown is that it is one of those ports that it is almost a Catch-22. We don't have enough tonnage being shipped out to equal a million-ton requirement, I guess, for some of the other ports. But we are in a situation—and I would like to read you a quote from this article that said, ″The shipping channel needs more depth to handle large cargo ships asking to come to Georgetown, said port director, David Schronce. The depth in the channel in some areas is now only 22 feet. Carolina Pacific, a company that makes wood chip briquettes is using smaller ships to get into the Georgetown until they can get the depth they need to grow their tonnage. Schronce said four companies have pending contracts to ship their products out of the Port of Georgetown, could mean about 4.4 million tons of cargo.″

We are dealing with a community that has probably got almost 13 percent unemployment and the port is certainly the nucleus that drives the economy for that community. Is there anything that we could do to be able to round up some funding for that port so that we could create those jobs that are so necessary for that community?

Ms. DARCY. Congressman, I am not familiar with the specifics of your particular port, but I expect that in evaluating the projects for the ARRA funding, it probably did not meet the criteria that we had to use in order to select those. But I will look further into it for you.

Mr. BROWN OF SOUTH CAROLINA. I appreciate that because I recognize we don't have the tonnage in order to qualify for the funding. But if we don't get to the 27 feet back again, we won't be able to attract those industries that come in. And could you tell me whether the Corps made the decision or OMB made the decision not to fund that port?

Ms. DARCY. Sir, it would have been a Corps decision, but we followed the criteria that were given administration-wide on the kinds of projects that would qualify under the law.

Mr. BROWN OF SOUTH CAROLINA. I would certainly appreciate you looking into it, because it is like the chicken or the egg. If we don't have the deep—the depth there, the ships can't come and the jobs can't be created. So I certainly appreciate you looking into that for us.

Mr. OBERSTAR. Would the gentleman yield?

Mr. BROWN OF SOUTH CAROLINA. Yes, sir.

Mr. OBERSTAR. Following up on the gentleman's question, I would like to know whether this project, the channel deepening, is an already authorized project. Do you know that offhand?

Ms. DARCY. I don't. I don't know offhand. I don't want to tell you the wrong answer.

Mr. OBERSTAR. If it is an authorized project and it is not at the depth authorized in current law, then it could have been eligible for funding under the Recovery Act. If not, it would have been considered a new start, and new starts were eliminated from consideration in the Recovery Act. The Recovery Act was to fund only those that had already been authorized and underway. So I will work with the gentleman on this issue, and with the Corps, and we will get to the bottom of his concern.

Mr. BROWN OF SOUTH CAROLINA. I thank the Chairman. The only thing I have to support it is this article from the newspaper that said, if dredging is done, the shipping channel could be brought back to the required depth of 27 feet. So I would assume this has got an authorized depth of 27 feet. So I assume it would not be a new start.

Thank you, sir. And thank you, ma'am, too.

Ms. JOHNSON. Thank you very much. We might have to recess and return because of the number of questions. Congresswoman Edwards.

Ms. EDWARDS. Thank you, Madam Chairwoman. I wasn't certain I would get in. My question actually goes to Ms. Gelb, and it is actually about the green reserve. And I am curious as to whether in the green reserve that you are familiar with a letter that was actually sent to the EPA by a coalition of environmental groups asking about some of the criteria around the use of the funding and selection and prioritization of the projects.

So I wonder if you could tell me whether you have some thoughts about the criteria for ranking green-reserve projects and the financing of stand-alone green projects, because they might not be eligible, then, to receive full financing under the Recovery Act.

And also one of the questions goes to using the water efficiency as a priority for actual water savings rather than some of the projects which don't seem to prioritize water efficiency.

And then lastly, linking energy efficiency directly to the goal of clean water. So for example, not funding projects like getting sort of efficient vehicles as part of the funding, because funding is so limited for these kinds of projects. And I wonder if you could just speak to this.

Ms. GELB. Thank you, Congresswoman. Actually I am not sure which letter you are referring to. But if I could talk for just a minute about what EPA is doing to ensure that the green project reserve is used as intended, the ARRA, as you know, requires at least 20 percent of each capitalization grant be spent on green infrastructure projects, so long as there is sufficient applications and we are assured that most States are able to do that part. Our goal is for all States to utilize the funding and, as such, we have set out clear definitions in our March 2nd program guidance of what en-

ergy efficiency, water efficiency, green infrastructure and innovative projects are.

Additionally, we have issued guidance explaining the type of solicitation that is needed in order to meet our requirements in the event that a State has difficulty finding such projects. Our guidance provides detailed examples of projects that meet the definitions, and we are working with States when there are any questions about particular projects on the list. Only the portion of a project that actually meets the definition counts toward the 20 percent reserve. If a project is not on the categorical list that we have, the State must present a business case that would explain how the program meets one of our goals. And then we review that business case, in concert with the State, in order to count it towards the 20 percent requirement.

We know this is a new business model. As such, are working with the States and hoping to make it a success. As I said, I am not familiar with the particular letter you are referring to, but would be glad to look into that and get back to you.

Ms. EDWARDS. That would be great. What I would like to do is actually, Madam Chairwoman, submit for the record—it is a letter dated September 25th that actually salutes you for what you are doing on the fund but looks into——

Ms. JOHNSON. We need to have a recess and return, so we can all get over in time to vote. You will be recognized as soon as we——

Ms. EDWARDS. Thank you. But I would like to submit this for the record. Thank you. Then you will have it.

[The information follows:]

Alliance for Water Efficiency *American Rivers * Center for Neighborhood Technology * Citizens Campaign for the Environment Natural Resources Defense Council * River Network

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September 25, 2009

RE: Revised Guidance for the State Revolving Fund "Green Reserve"

Dear Mr. Silva,

The American Recovery and Reinvestment Act (ARRA) set a new precedent for the use of State Revolving Funds for sustainable water infrastructure. By providing that 20 percent of the money allocated to both the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF) was reserved for green infrastructure, water or energy efficiency and environmentally innovative projects (collectively referred to as the "green reserve"), states were better able to fund smart water infrastructure projects with multiple benefits for communities and clean water. As of August 17th, it appears that all states fully used the 20 percent for these purposes, reflecting a growing demand for innovative water infrastructure. As part of this recent process, EPA has made excellent progress in explaining and further defining these opportunities in guidance and outreach to the states.[1]

Nonetheless, there is an immediate need to build upon this progress to further refine and improve the guidance to EPA regional staff and the states. Because the 20 percent set aside for the green reserve will continue as prescribed by the pending federal budget and because there is a continued demand for these projects, it is essential to provide better guidance to the states to ensure that the best projects are solicited and funded. We offer the following comments and suggestions descriptively and with some specific proposed changes to guidance language (see attachment). As a start, we recommend that the very thorough ARRA Green Project Reserve question and answer document, revised July 17, 2009, be appended onto the green project reserve guidance. This question and answer document clarifies many issues and should be explicitly incorporated going forward.

[1] U.S. EPA, *Award of Capitalization Grants with Funds Appropriated by P.L. 1111-5, the "American Recovery and Reinvestment Act of 2009"* (March 2, 2009) and U.S. EPA, *American Recovery and Reinvestment Act. The Green Project Reserve* (June 22, 2009).

Eligible activities

EPA must first make clear to states that all of the activities authorized as part of the green reserve must also be *eligible* for funding under the set-aside portion of the SRF. In some cases, states rejected applications out of hand because these activities have not been traditionally funded by their state SRF programs or because the "active solicitation" focused on existing project lists. As a condition of receiving the upcoming 20% of their SRF allocation, states must agree to make all green reserve activities eligible to receive assistance and vigorously convey these opportunities to potential applicants. Special attention should be directed to small and medium-sized communities who may benefit from more technical assistance to apply for green reserve projects.

Criteria for ranking green reserve projects

While all states will likely fulfill the 20% green reserve, the quality of projects was variable. In part this can be attributed to the immense pressure under which states were working to meet the ARRA-imposed deadlines. However, the green reserve will better reach its goals if states adopt more prescriptive criteria for evaluating and ranking their green reserve projects. Ohio, for example, has a detailed ranking system that awards more points for items including implementation of a sustainable growth plan, high restoration potential, and elimination of overflows that threaten public health.[2] EPA should require states to review and update project ranking criteria with specific attention to green reserve projects. EPA should include detailed ranking criteria in their guidance and require states to either incorporate this guidance into their ranking systems or else adopt their own comparable ranking system. Such criteria should include performance measures or benchmarks for water efficiency (e.g. amount of water actually saved) or stormwater reduction (e.g. protection or restoration of predevelopment hydrology).

Stand alone versus integrated projects and business case

Green reserve funds should remain available for stand alone projects as well as integrated "grey" and "green" projects. Because the standard SRF does not include the requirement for 50% additional subsidization from the ARRA, stand alone projects may be less likely to be put forward. We recommend that EPA provide information in the guidance about how to finance stand alone projects that may not have a readily available payment stream. Specifically, EPA should encourage states to provide higher levels of subsidies, as opposed to loans, for projects that score higher against the green reserve criteria. Additionally, following the example set by New York, states should be encouraged to consider dividing their green reserve into two funding streams – one specifically for green stand alone projects and one for integrating green reserve into traditional projects.

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[2] State of Ohio Water Pollution Control Loan Fund, Amended 2009 Program Management Plan, Appendix P – Integrated Priority System http://www.epa.state.oh.us/LinkClick.aspx?fileticket=hmj57JTqu60%3d&tabid=2207.

Further, because a business case is required for traditional projects that may in part qualify for the green reserve, EPA must require that this process be more transparent. Currently, in only a few cases can the business case memo be found on the web or other formats otherwise available to the public for review. For example, some states have used their green reserve money entirely for projects requiring a business case, and yet the business memo is not available for review. The result is that the public cannot discern the justification for and content of the green component of the project.[3]

Generally, the transparency of state IUP lists should be improved. Currently, some lists denote "green reserve" but not the category of the project (e.g. energy efficiency, water efficiency) for stand alone projects and nothing about the portion of integrated projects that are green. Finally, states should strive to better engage the public in the review process given the multiple benefits that many green infrastructure projects provide.

Connection to 604(b) Funds

Though the 604(b) guidance suggested that these funds could be used to plan for SRF projects, such an application was not practical because the timing was off (the 604(b) funds did not have the 1-year deadline). However, we recommend that the new guidance recommend use of 2009 604(b) funds (if they haven't been expended) or future year 604(b) funds specifically for the planning of stand alone green infrastructure projects. This will ensure that such projects are more likely to be developed adequately for IUP lists.

Water Efficiency

Water efficiency is critical to securing sustainable and adequate water supplies across the country. The green project reserve provided an important opportunity for states to prioritize and fund water efficiency projects that have historically ranked lower on IUPs and were effectively shut out from the SRF as a funding source. Still, the water efficiency projects prioritized were not necessarily ones that would deliver the most water savings, nor did they prioritize projects based on need. We strongly recommend that EPA incorporate guidance that would prioritize applicants based on their need for new water supply as demonstrated by a water supply and conservation plan that includes water efficiency as one means of securing that water supply. In addition, EPA should recommend that states rank projects based on the quantity of actual water (not paper water) saved per dollar invested.

Lastly, EPA should support the development of water efficiency incentive programs (such as rebates, replacements, etc.) by outlining in the guidance specific allowable financing mechanisms that would be eligible under the SRF. An example from the ARRA conference report on Qualified Energy Conservation Bonds states that the bonds are "to finance retrofits of existing private buildings through loans and/or grants to individual homeowners or businesses, or through other repayment mechanisms. Other

[3] State of Illinois, EPA ARRA Stimulus – http://www.epa.state.il.us/economic-stimulus/funded-projects.html.

repayment mechanisms can include periodic fees assessed on a government bill or utility bill that approximates the energy savings of energy efficiency or conservation retrofits..."[4]

Energy Efficiency

While energy efficiency is integral to sustainable water treatment operations, funding for energy efficiency through the SRF must be tightly linked to the goals of clean and safe water and achieve demonstrable gains over and above the individual goal of improving energy efficiency. For example, using SRF money to pay for hybrid cars for utility fleets is not a smart use of limited water infrastructure funds.[5] Moreover, there are alternative sources of dedicated funding for energy efficiency projects. Many states are using green reserve money to pay for energy efficient pump replacements at wastewater treatment plants. Replacing standard pumps and other energy efficiency upgrades at wastewater and drinking water treatment plants significantly reduce a plant's energy use, operating costs and have shorter payback periods than replacement with equipment with standard energy use requirements. While increased energy efficiency is an important goal in itself, such pump upgrades do not necessarily result in any improvement to water quality or supply (outside the indirect impacts to water through decreased energy production). We recommend that EPA include guidance language that ensures that energy efficiency is tightly linked to water efficiency, improvements in water quality or both, and that there is a cap on the total amount of money from the green reserve that can be used for energy efficiency. Additionally, within this category, innovative and integrated energy efficiency systems including cogeneration and renewable energy sources should be prioritized.

Green Infrastructure

We strongly recommend that EPA make even clearer to states and regions that green infrastructure is different than traditional, structural approaches to stormwater management. Despite the strong definition of green infrastructure in the guidance, some states still had categorically ineligible stormwater management activities, such as detention ponds, on their preliminary IUP lists. As stated above, states must engage in meaningful outreach to solicit projects for this category.

Environmental Innovation

We strongly support the continued funding of environmental innovation, an important opportunity for communities to use new approaches. We would recommend that funding for decentralized waste treatment focus on "advanced decentralized" approaches that are truly innovative. Similarly, climate change adaptation is critical and should focus on adaptation strategies that are flexible and integrated.

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[4] ARRA Conference Report, p.627, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_reports&docid=f:hr016.111.pdf.

[5] See U.S. EPA, *American Recovery and Reinvestment Act, The Green Project Reserve* (June 22, 2009) question 14.

We appreciate this opportunity to comment and look forward to working with EPA to move towards more sustainable infrastructure and cleaner and safer water.

Sincerely

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Cynthia Doughtery, Director, Office of Ground Water and Drinking Water
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ATTACHMENT - CURRENT EPA GUIDANCE WITH PROPOSED CHANGES IN YELLOW

ATTACHMENT 7

CWSRF Project Descriptions and Examples for Green Project Reserve

The ARRA requires that at least 20% of each State's capitalization grant be used to fund projects referred to as the Green Project Reserve. The following is a set of examples for projects EPA believes would be eligible. It should be noted that all project eligibility requirements otherwise applicable to the CWSRF program apply to the Green Project Reserve.

Under the Green Project Reserve in the CWSRF both entire projects may be considered for inclusion or appropriate identifiable components of larger projects may be considered for inclusion. Whatever projects or project components are included, such projects or project components must clearly advance the objectives articulated in the specific categories discussed below.

Business Case Requirements for Counting Costs toward the 20% Reserve

There are some types of projects that clearly will qualify towards the 20% Green Project Reserve, being entirely and explicitly framed as a green infrastructure or a water or energy efficiency project. However, some types of traditional projects may also have benefits that may in some cases be counted towards the 20% Green Project requirement. For such traditional projects (or portion of a project) to be counted towards the 20% requirement, the State's project files must contain documentation that the clear business case for the project (or portion) investment includes achievement of identifiable and substantial benefits that qualify as Green Project benefits. This same documentation must be made available to the public with the IUP list and reported to EPA.

The required documentation could be a simple memo but must indicate the basis on which this project was judged to qualify to be counted toward the 20% requirement. Such a memo would typically include direct reference to a preliminary engineering or other planning document that makes clear that the basis upon which the project (or portion) was undertaken included identifiable and substantial benefits qualifying for the Green Project Reserve.

Water Efficiency

I. Water efficiency is the use of improved technologies and practices to deliver equal or better services with less water.

II. Projects eligible for assistance include assistance

a. to any municipality, intermunicipal, interstate, or State agency for construction of publicly owned treatment works defined in section 212 of the Clean Water Act

i. Planning and design activities for water efficiency that are reasonably expected to result in a capital project are eligible; to the extent practicable, such projects should be coordinated with drinking water systems and projects.

ii. Building activities that implement capital water efficiency projects are eligible.

b. to public or privately owned projects that implement State Nonpoint Source Management Plans established under section 319 of the Clean Water Act

i. Planning and design activities for water efficiency that are reasonably expected to result in a capital project are eligible.

ii. Building activities that implement capital water efficiency projects are eligible.

c. to public or privately owned projects that develop or implement a Comprehensive Conservation Management Plan established under section 320 of the Clean Water Act.

i. Planning and design activities for water efficiency that are reasonably expected to result in a capital project are eligible.

ii. Building activities that implement capital water efficiency projects are eligible.

III. Water efficiency projects can be stand alone projects. They do not need to be part of a larger capital improvement project.

IV. Drinking Water Utilities may apply to the Clean Water State Revolving Fund.

V. Examples of projects include

a. Installation of water meters to the extent that they secure water supply savings;

b. Retrofit or replacement of water using fixtures, fittings, equipment or appliances

c. Efficient landscape or irrigation equipment

d. Systems to recycle gray water

e. Reclamation, recycling, and reuse of existing rainwater, condensate, degraded water, stormwater, and/or wastewater streams.

f. Collection system leak detection equipment

Energy Efficiency

I. Energy efficiency is the use of improved technologies and practices to reduce the energy consumption of water quality projects, including projects to reduce energy consumption or produce clean energy used by a treatment works defined in Sec. 212 to expressly meet the goals of the Clean Water Act

a. Web link to EPA's clean energy site http://www.epa.gov/cleanenergy/

II. Projects eligible for assistance may not exceed 20% of the 20% set aside for green project reserve funds. Projects eligible for assistance include:

a. to any municipality, intermunicipal, interstate, or State agency for construction of publicly owned treatment works defined in section 212 of the Clean Water Act

i. Planning and design activities for energy efficiency that are reasonably expected to result in a capital project are eligible.

ii. Building activities that implement capital energy efficiency projects are eligible.

b. to public or privately owned projects that implement State Nonpoint Source Management Plans established under section 319 of the Clean Water Act
   i. Planning and design activities for energy efficiency that are reasonably expected to result in a capital project that would otherwise not be cost recoverable are eligible.
   ii. Building activities that implement capital energy efficiency projects are eligible.

c. to public or privately owned projects that develop or implement a Comprehensive Conservation Management Plan established under section 320 of the Clean Water Act.
   i. Planning and design activities for energy efficiency that are reasonably expected to result in a capital project are eligible.
   ii. Building activities that implement capital energy efficiency projects are eligible.

III. Energy efficiency projects can only be pursued as part of a water quality improvement project. They do not need to be part of a larger capital improvement project.

IV. Energy efficiency projects can only be pursued as part of a renewable energy generation project.

V. Examples of projects include
   a. Energy efficient retrofits and upgrades to pumps and treatment processes that incorporate alternative energy practices.
   b. Retrofit or upgrades that allow facilities to recover digester gas and utilize as a fuel
   c. Retrofit or upgrades that result in energy cogeneration, or combined heat and power

<u>Green Infrastructure</u>

I. Definition: Green Infrastructure includes a wide array of practices at multiple scales that manage and treat stormwater and that maintain and restore natural hydrology by infiltrating, evapotranspiring and capturing and using stormwater. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale green infrastructure consists of site- and neighborhood-specific practices, such as bioretention, trees, green roofs, porous pavements and cisterns. While green infrastructure is considered a stormwater management approach, green infrastructure does not include detention basins, earthen dams and other techniques that fail to focus on infiltration, evapotranspiration and reuse.

II. Projects eligible for assistance include assistance

a. to any municipality, intermunicipal, interstate, or State agency for construction of publicly owned treatment works defined in section 212 of the Clean Water Act
   i. Planning and design activities for green infrastructure that are reasonably expected to result in a capital project are eligible.
   ii. Building activities that implement capital green infrastructure projects are eligible.
b. to public or privately owned projects that implement State Nonpoint Source Management Plans established under section 319 of the Clean Water Act
   i. Planning and design activities for green infrastructure that are reasonably expected to result in a capital project are eligible.
   ii. Building activities that implement capital green infrastructure projects are eligible.
c. to public or privately owned projects that develop or implement a Comprehensive Conservation Management Plan established under section 320 of the Clean Water Act.
   i. Planning and design activities for green infrastructure that are reasonably expected to result in a capital project are eligible.
   ii. Building activities that implement capital green infrastructure projects are eligible.

III. If a project is specifically required by a draft or final NPDES permit, then it can only be funded through Sec. 212 or Sec. 320 authority

IV. Green infrastructure projects can be stand alone projects. They do not need to be part of a larger capital improvement project.

V. Examples of projects include
a. Implementation of green streets (combinations of green infrastructure practices in transportation rights-of-ways), for either new development, redevelopment or retrofits
b. Implementation of water harvesting and reuse programs or projects, where consistent with state and local laws and policies.
c. Implementation of wet weather management systems for parking areas which include: the incremental cost of porous pavement, bioretention, trees, green roofs, and other practices that mimic natural hydrology and reduce effective imperviousness at one or more scales, including constructed wetlands.
d. Hydromodification to establish or restore riparian buffers, floodplains, wetlands and other natural features.
e. Downspout disconnection to remove stormwater from combined sewers and storm sewers.
f. Comprehensive retrofit programs designed to keep wet weather out of all types of sewer systems using green infrastructure technologies and approaches.
g. Implementation of comprehensive street tree or urban forestry programs, including expansion of tree box sizes to manage additional stormwater and enhance tree health.

Environmentally Innovative Projects

I. Projects that demonstrate new and/or innovative approaches to managing water resources in a more sustainable way, including projects that achieve pollution prevention or pollutant removal with reduced costs and projects that foster adaptation of water protection programs and practices to climate change.

II. Projects eligible for assistance include assistance

a. to any municipality, intermunicipal, interstate, or State agency for construction of publicly owned treatment works defined in section 212 of the Clean Water Act
   i. Planning and design activities for environmentally innovative projects that are reasonably expected to result in a capital project are eligible.
   ii. Building activities that implement capital environmentally innovative projects projects are eligible.

b. to public or privately owned projects that implement State Nonpoint Source Management Plans established under section 319 of the Clean Water Act
   i. Planning and design activities for environmentally innovative projects that are reasonably expected to result in a capital project are eligible.
   ii. Building activities that implement capital environmentally innovative projects projects are eligible.

c. to public or privately owned projects that develop or implement a Comprehensive Conservation Management Plan established under section 320 of the Clean Water Act.
   i. Planning and design activities for environmentally innovative projects that are reasonably expected to result in a capital project are eligible.
   ii. Building activities that implement capital environmentally innovative projects projects are eligible.

III. Examples of projects include

a. Green Infrastructure/Low Impact development stormwater projects
b. Wetland restoration and constructed wetlands
c. Advanced Decentralized wastewater treatment systems meaning a system for treating domestic sewage that is located at or near a site at which the sewage is generated, provides more effective treatment than a conventional septic system, and includes a plan and funding mechanism for long-term maintenance solutions to existing deficient or failing on site systems.
d. Wastewater treatment plant upgrades or retrofits that remove phosphorous for beneficial use, such as biofuel production with algae.
e. Wastewater treatment plant upgrades or retrofits that utilize nutrient recovery technology that allows nutrients in sludge to be put to beneficial use
f. Water reuse projects that reduce energy consumption, recharge aquifers or reduce water withdrawals and treatment costs
g. The water quality portion of projects that employ development and redevelopment practices that preserve or restore site hydrologic processes through sustainable landscaping and site design.
h. Projects that use water balance approaches (water budgets) at the project, local or state level that preserve site, local or regional hydrology. Such an effort could showcase efforts to plan and manage in a concerted manner, surface and

groundwater withdrawals, stream flow (aquatic species protection), wetland and floodplain storage, groundwater recharge and regional or local reuse and harvesting strategies using a quantified methodology.

g. Projects that facilitate adaptation of clean water programs and practices to climate change and that prioritize initiatives that protect or enhance natural ecosystem functions including protection, maintenance and restoration of natural infrastructure, increase water efficiency and protect natural flows.

h. The water quality portion of projects that demonstrate the energy savings and greenhouse reduction benefits of sustainable site design practices and the use of green stormwater infrastructure.

i. Projects that incorporate differential uses of water based on the level of treatment to reduce the costs of treating all water to potable water standards.

j. Projects that identify and quantify the benefits of using integrated water resources management approaches.

ATTACHMENT 8

DWSRF Project Descriptions and Examples for Green Project Reserve

The ARRA requires that, to the extent there are eligible project applications, a State shall use 20% of its DWSRF capitalization grant under the ARRA for green infrastructure projects to address water and energy efficiency improvements or other environmentally innovative activities. EPA is referring to this provision as creating a Green Infrastructure Reserve within each DWSRF capitalization grant. This guidance provides clarification of this provision of the law and examples of projects that might be considered for assistance from the Green Project Reserve.

EPA anticipates that "water or energy efficiency" projects will likely be the principal focus of the Green Project Reserve under the DWSRF. However, there may also be projects, or components of projects, that qualify for consideration under the Green Infrastructure Reserve in the DWSRF on the basis of application of green infrastructure or being environmentally innovative.

Under the Green Project Reserve in the DWSRF both entire projects may be considered for inclusion or appropriate identifiable components of larger projects may be considered for inclusion. Whatever projects or project components are included, such projects or project components must clearly advance the objectives articulated in the specific categories discussed below.

Business Case Requirements for Counting Costs toward the 20% Reserve for Energy and Water Efficiency

There are some types of projects that clearly will qualify towards the 20% Green Project Reserve, being entirely and explicitly framed as a green infrastructure or a water or energy efficiency project. However, some types of traditional projects may also have benefits that may in some cases be counted towards the 20% Green Project requirement. For example, lower friction afforded by a new distribution pipe could reduce the energy needed to pump water through the distribution system. For such traditional projects (or portion of a project) to be counted towards the 20% requirement, the State's project files must contain documentation that the clear business case for the project (or portion) investment includes achievement of identifiable and substantial benefits that qualify as Green Project benefits. This same documentation must be made available to the public with the IUP list and reported to EPA.

The required documentation could be a simple memo but must indicate the basis on which this project was judged to qualify to be counted toward the 20% requirement. Such a memo would typically include direct reference to a preliminary engineering or other planning document that makes clear that the basis upon which the project (or portion) was undertaken included identifiable and substantial benefits qualifying for the Green Project Reserve. Although not intended to be an exhaustive list, we have identified a number of project

and project-related costs below that could count toward the 20%. Examples that would require a business case are so noted.

Energy Efficiency:

I. Energy efficiency includes capital projects that reduce the energy consumption of eligible drinking water infrastructure projects that expressly meet the goals the Safe Drinking Water Act.
   a. Web link to EPA's Better Management-Energy page http://www.epa.gov/waterinfrastructure/bettermanagement_energy.html
   b. Web link to EPA's clean energy site http://www.epa.gov/cleanenergy/
   c. Clean energy includes wind, solar, and geothermal combined heat and power systems.

II. Eligible costs associated with energy efficiency projects may not exceed 20% of the green reserve funds and may include:
   a. Planning and design activities for energy efficiency that are reasonably expected to result in a capital project are eligible.
   b. Building activities that implement capital energy efficiency projects are eligible.
   c. Costs associated with a utility energy or water efficiency audit

III. Energy efficiency projects can only be pursued as part of project that will either reduce overall water use or increase water supply quality.

IV. Examples of projects include, but are not limited to:
   a. Energy efficient retrofits and upgrades to pumps and treatment processes (requires business case)
   b. Leak detection equipment
   c. Replacement or rehabilitation of distribution lines (requires business case)

Water Efficiency:

I. Water efficiency is the use of improved technologies and practices to deliver equal or better services with less water.
   a. WaterSense program Focus on Utilities - http://www.epa.gov/watersense/tips/util.htm

II. Eligible costs associated with water efficiency projects may include:
   a. Planning and design activities for water efficiency that are reasonably expected to result in a capital project.
   b. Purchase of water efficient fixtures, fittings, equipment, or appliances
   c. Purchase of leak detection devices and equipment
   d. Purchase of water meters, meter reading equipment and systems, and pipe
   e. Construction and installation activities that implement capital water efficiency projects.
   f. Costs associated with development of a water conservation plan if required as a condition of DWSRF assistance.

III. Water efficiency projects can be stand alone projects. They do not need to be part of a larger capital improvement project.

IV. Examples of projects include, but are not limited to:
   a. Installation of water meters or automated meter reading systems
   b. Retrofit or replacement of water using fixtures, fittings, equipment or appliances (can include rebate programs)
   c. Distribution system leak detection equipment
   d. Replacement or rehabilitation of distribution lines (requires business case)

Green Infrastructure:

I. Definition: Green Infrastructure includes a wide array of practices that manage wet weather to maintain and restore natural hydrology by infiltrating, evapotranspiring and capturing and using stormwater. In the context of the DWSRF, green infrastructure consists of site-specific practices, such as green roofs and porous pavement at drinking water utility facilities. In addition to managing rainfall, these green infrastructure technologies can simultaneously provide other benefits such as reducing energy demands. While green infrastructure is considered a stormwater management approach, green infrastructure does not include detention basins, earthen dams and other techniques that fail to focus on infiltration, evapotranspiration and reuse.
   a. Green infrastructure projects can be stand alone projects. They do not need to be part of a larger capital improvement project.
   b. Examples of projects include, but are not limited to:
      i. Implementation of wet weather management systems for utility buildings and parking areas which include: the incremental cost of porous pavement, bioretention, trees, green roofs, and other practices that mimic natural hydrology and reduce effective imperviousness.
      ii. Source water protection

Environmentally Innovative Projects:

I. Definition: Within the context of the DWSRF program, "environmentally innovative projects" would include those that are: (1) consistent with the underlying project eligibilities of the DWSRF program; and (2) consistent with the timelines and objectives of the ARRA; and (3) that demonstrate new and/or innovative approaches to delivering service and/or managing water resources in a more sustainable way, including projects that achieve public health protection and environmental protection objectives at the least life-cycle costs,
   a. Environmentally innovative projects can be stand alone projects. They do not need to be part of a larger capital improvement project. Any project which a State wishes to qualify for funding from the Green Project Reserve on the basis of being an "Environmentally Innovative Project" would require business case documentation.
   b. Examples of projects include, but are not limited to:
      i. Projects, or components of projects, that enable the utility to adapt to the impacts of global climate change and that prioritize initiatives that protect or enhance natural ecosystem functions, including protection,

maintenance and restoration of natural infrastructure, increase water efficiency and protect natural flows.

ii. Projects, or components of projects, consistent with a "Total Water Management" planning framework; or other planning framework within which project life cycle costs (including infrastructure, energy consumption and other operational costs) are minimized.

Mr. TEAGUE. [presiding.] Okay. We will go ahead and reconvene our meeting here. Some people may still be coming back from voting and come in, and some have other meetings to go to. So we will just get right in here.

I would like to ask a couple of questions, if I could, of Mayor Nunley from Ruidoso. A couple of questions. How many jobs do you think were created and/or saved with the project for Ruidoso and Ruidoso Downs? And also where do you think that the project of the wastewater treatment facility would be if it wasn't for the ARRA funds?

Mr. NUNLEY. There are approximately 75 people working down there now that are new jobs. When we get into full swing with the project and they start putting the filters in and building a building for the filters and everything, I think probably around 125 to 150 jobs would be tops.

Your second question?

Mr. TEAGUE. Yes. The second question is where would the project be if it had not been for the ARRA funds?

Mr. NUNLEY. We were prepared to borrow the money from the environment department, New Mexico Environment Department. And it was a little out of our price range, but we were going to have to do it anyway. And the stimulus package kind of saved our bacon, to tell you the truth, Mr. Teague. I thank all of you for that.

Mr. TEAGUE. Thank you. And I also thank you for the testimony you have given us here today. I think it is encouraging to everybody on this Committee to know that we are having some success with these programs and they are working.

I did have one more question for Ms. Gelb. As you know, the outlays are a lagging indicator of the water infrastructure construction. The Clean Water Revolving Funds operate on a reimbursement basis. But do you have an idea of how we are progressing with that and what some of the results are?

Ms. GELB. Thank you, Congressman. Yes, as you said, outlays are an indicator to date. The clean water SRF has issued $170 million in outlays. But again, that is not necessarily our measure of success. What we are seeing is that as of the end of October, there are 797 assistance agreements executed with States for about $1.7 billion. We have 740 million, or 20 percent, of our projects totally under contract. So we are seeing some success as interim milestones.

Mr. TEAGUE. Thank you. And now I will turn to the Ranking Member, Mr. Boozman.

Mr. BOOZMAN. Thank you very much. I guess the question I have, Ms. Gelb, is we have had a sheet and we have heard testimony that some of the States are having trouble spending their money and things. Can you help us understand some of the problems that they are having in that regard? And perhaps whatever solutions that we can come up with to help our States in getting this money obligated and spent? Yes, ma'am.

Ms. GELB. Thank you. Yes. There are some new requirements within ARRA that our State programs were not as familiar with, as I think you know. While the States may have been familiar with Davis-Bacon, it has not been applicable to this program before. So this is a new requirement that the States had to learned.

Similarly, Buy America requirements were new to the program, new to us here in headquarters, and we were able to work with the States, providing them information and guidance and assistance through Webcasts, through personal site visits and training. That is just an example of some of the new requirements in a very longstanding program.

The States, as I think was mentioned earlier, have a lot of history and a lot of success with the State Revolving Fund programs. But with these new requirements, it did take a little bit of a learning curve.

Mr. BOOZMAN. At EPA, how many jobs do you feel like have been created?

Ms. GELB. Job reporting was done through recovery.gov. States had to provide their information by October 10th. We were analyzing that information for a couple of weeks after that period of time. We have preliminary numbers that we have not scrubbed yet and they are certainly not broken down by programs. So I am not exactly sure yet what the State Revolving funds would be. And I would be happy to get back to you when we have that information. It should be shortly.

Mr. BOOZMAN. Mr. Nunley, why such a strict permit on your community?

Mr. NUNLEY. I cannot answer that definitively.

Mr. BOOZMAN. You would be in one of the top 17, 18—I guess really one of the most stringent—with both of the requirements in the country.

Mr. NUNLEY. We have been told that we are the most stringent in the country.

Mr. BOOZMAN. So you have the increased cost of putting the system in. And then how much more will your operating costs be as a result?

Mr. NUNLEY. About double.

Mr. BOOZMAN. So you have got those ongoing costs that are going to——

Mr. NUNLEY. Yes. We started out with just phosphorous, and that was a pretty low limit at .1, and then halfway through the project, when we were engineering the thing, they said, no, we want nitrogen, too, at 1 milligram per liter. And that just doubled it, because all the technology and all the engineering that is available today says that we can't reach that limb. But we are going to make every effort to get there and do that.

And the Environment Department in New Mexico is working with us on that issue. And I cannot tell you that they said we are going to work with you if you don't meet that limit, but they have indicated that they are going to do everything they can to see that we meet it; and if we don't meet it, they are going to work with us on that issue. So it is difficult, but we are going to try to do it.

It is hard. I am concerned about the very, very stringent limits like that that appear to be coming more and more—that is a tremendous unfunded mandate, and you are blessed you are able to benefit from the stimulus and some of this other funding. The reality, though, is that you would have had to do that anyway, and the cost to your taxpayers would have had to have borne all of that which in some cases—well, you would an great example. It would

be questionable as to if you could actually do that with your ratepayers.

Mr. NUNLEY. We have been told by our engineer, who is a very good firm, that the normal limits for nitrogen is about 10 milligrams per liter and they are putting us at 1. And I think part of the problem is that the previous administration, maybe the previous two administrations, tried to pick a fight with EPA and tell them they were unreasonable and they were fighting with the wrong people.

And when I got elected mayor—I have been in politics for 18 years in Ruidoso, but just 4 years as mayor. But when I got elected mayor, I knew right away that I had to mend some fences and get this thing on the road because we were under a court order to finish it up.

Mr. BOOZMAN. One last question, Ms. Darcy. Can you give us an estimate on the jobs created? And, again, I do—Mr. Oberstar and I were talking on the way over here about the bridge that was completed in record time after it failed and things. That was due to agencies cooperating together instead of having an adversarial relationship or just not really having a relationship.

So I do appreciate the work that the Corps is doing with USDA in Arkansas, and it appears that you are doing a good job of doing that throughout the country. Do you have an estimate on job creation?

Ms. DARCY. I think by the end of the entire ARRA program, it is estimated that we would probably have 50,000 jobs as a result of the 4.6 billion that the Corps was appropriated.

Mr. BOOZMAN. Very good. Do you have similar problems—I asked Ms. Gelb about the end users not being able to spend the money and stuff. Are we having similar problems like that within the Corps structure?

Ms. DARCY. No, sir. What we do is obligate the money and give it to contractors right at the beginning of the contract. So we don't give grants or loans, as the EPA and some other agencies do. We do direct contracting.

Mr. BOOZMAN. Good. Thank you, Mr. Chair.

Mr. TEAGUE. Next I would ask Congresswoman Napolitano from California.

Mrs. NAPOLITANO. Thank you, Mr. Chairman. And I am very glad that we have today's meeting. So thank you for this very interesting conversation on some of our more important projects.

For Ms. Gelb—and I have already spoken to you briefly because California's environmental review did not—many of the projects didn't receive the funds because they didn't have the NEPA clearance. Well, California's CEQAis more stringent that NEPA, and we have been trying to figure out how do we allow those projects to be certified, because they are, in fact, more stringent that our own Federal requirements.

And I would love to have—I know you don't have an answer. If you would look at it, I would love to have you either come back to some of us that have an interest in it.

Ms. GELB. Thank you, Congresswoman. I would be happy to do that.

Mrs. NAPOLITANO. Thank you. And I can tell you that I have been pleased to work with the Western Region for at least 15 years, and they were the best. So I really thank the agency for all the work they have done.

I would like to have an idea if there is any way of being able to find out if you have a backlog on some of these contaminated sites, because we seem to find them and then, all of the sudden, we have to go through a whole sequencing to be able to clear them up.

My concern is for water contamination because we have the drought in the west—Western States for that matter—and any water that we have that we are able to identify and be able to see how it stands, we need to be able to clean it up and find the PRPs, those potential responsible parties, so that we can be able to assure our communities that they may have additional sources of water, because there is no new water.

Ms. GELB. Congresswoman, I would be happy to get back to you on that issue as well. There are a number of issues associated with that, and I think it would be helpful to have a fuller answer. Thank you.

Mrs. NAPOLITANO. I really appreciate it.And, Ms. Darcy, I really have a great respect for the Army Corps. We have worked with them on several projects in my area and my surrounding community. And currently as I have mentioned, we are working on the Whittier Narrows Dam that the Corps is hoping to be able to do an update of a feasibility study.

The water replenishment district, the local water replenishment district is offering to pay for an interim deviation report for 3 years to allow us to get the funding to be able to do the feasibility study, a full study. Again, a renewal of the study. Again, we were able to get 134,000 this budget year. We hope to get the rest of it next year. And we would like to be able to see how we can get somebody to say yes to these people who are offering to pay for this interim study so the Corps can then continue their work. And that is something that I would very much like to see results on that. I look forward to responding to you.

Mrs. NAPOLITANO. Thank you so very much.

And then we can get back to Ms. Gelb on groundwater and drinking water. Again, the major focus is to be able to identify those areas, and if there is a way to be able to have EPA relate to us so we can then work with all the other water agencies—the Committees or Subcommittees that have water jurisdiction—because we need to start looking in the future about being able to identify those bodies of water that we need to be sure are cleaned up, and that we help our communities prepare for oncoming drought that we know climate change is bringing upon us.

Ms. GELB. Thank you. And we will look forward to working with you further on that.

Mrs. NAPOLITANO. Thank you. The Clean Water State Revolving Fund, Ms. Gelb, operates on the reimbursable basis. What other ways can we track construction on these if some of those funds—since you don't outlay until the work has already been performed and the State seeks reimbursement? Are there any number of projects that have been put out to bid on contracts underway? Is there a better way to measure the progress?

Ms. GELB. Thank you. Yes. With two State Revolving Funds, the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, we were looking at ways to measure interim success for the States in advance of recovery.gov where the States would then provide information on a quarterly basis.

We went out with a pilot program to collect information for both of those systems, and it allows us to assess progress with dollars and assistance agreements, dollars where—and projects where all contracts are executed, which is the lead indicator for us on whether the State is able to meet the February 17th deadline. It allows us to assess whether funding has been provided in projects for green infrastructure. And a number of other indicator measures that let us know the interim success of the program.

Mrs. NAPOLITANO. I am assuming it also helps you help those States that are lagging behind?

Ms. GELB. Absolutely. In fact, based on the information we received in our reporting system, which is updated on a very regular basis—I get weekly reports—we made contact with 14 individual States over the last couple of weeks. Mr. Hooks and I personally made phone calls to the Governor's Offices of 14 States to make sure they understood that EPA is there to help them with any issues or any concerns that they might have.

We want to ensure that those States get over the finish line and we want to make sure they expend all of their dollars—get all of their dollars under contract by February 17th.

Mrs. NAPOLITANO. Thank you, Mr. Chairman. And I would submit other questions for the record.

Mr. TEAGUE. Thank you, Congresswoman Napolitano.

And at this time, one of the things that I have really come to appreciate my first year here is the knowledge and the insight of the next man that is going to speak, Chairman Oberstar.

Mr. OBERSTAR. Thank you very much, Mr. Chairman. I understand that you have another obligation to attend to. So please feel free to leave at this time.

Mayor Nunley, I heard your plaintiff appeal early on that caught Ms. Edwards quite by surprised, that you are looking to annex the Potomac River. I think there would probably be some objection out here. But I thought we might look for a lake in northern Minnesota that no one is using right now. Maybe we could loan it to you.

Mr. NUNLEY. It is my plan to just annex the right-of-way, the road coming up here, and then we can take the lake in when we get there. That would be fine.

Mr. OBERSTAR. We want to help you out, because I know New Mexico is a little short on those things, water. So is Arizona.

Mr. NUNLEY. Can I put that in the paper when I get home, Mr. Oberstar?

Mr. OBERSTAR. Ms. Darcy, the Corps typically, in the ordinary course of events on projects, holds funds back on—at the outset of a project until the project is completed. And I know that the Corps has done the same with the stimulus funds.

Second, the bids are coming in about 25 percent, on average, lower than the final design estimates, not only for Corps but for clean water, drinking water, for the highway and transit projects as well. We are finding that these dollars are stretching farther

than we anticipated because of economic conditions and a number of other factors we don't need to go into here.

So the question I have is, does the Corps have a plan? Are you working on a plan for what you are going to do with those additional dollars?

Ms. DARCY. Yes, sir. As you know, we had a list of 826 projects that we anticipate spending our funds on. But as you rightfully point out, some of these contracts are coming in lower because of the current economic situation. So we are going to evaluate, probably on a monthly basis, what kinds of other projects might be able to now become eligible for those funds that we will have—not left over, but we will be expending in the next several months.

Mr. OBERSTAR. So we can anticipate that sometime in January or February making a reassessment of where the budget or how the budget looks at that point, and go back to those 800—well, was it 826 at the start of this and you have committed to some 4- or 500?

Ms. DARCY. No, so far we have work on the ground ongoing at 731.

Mr. OBERSTAR. 731. Oh, sorry. I missed that.

Ms. DARCY. We will be evaluating maybe even more quickly—I hope my staff doesn't tell me otherwise—more quickly than 2 or 3 months from now. I think we will be constantly reevaluating what money we do have, especially money that comes from contracts coming in under bid.

Mr. OBERSTAR. Then when we have our December hearing on stimulus, we are doing it every 30 days.

Ms. DARCY. I am putting it on the calendar, sir.

Mr. OBERSTAR. And it is working. I don't know about the rest of the stimulus, but I know the part that is under the jurisdiction of this Committee we can account for. We know where the dollars are going, where the projects are, how many jobs have been created, and what the payrolls are. So we will look forward to seeing that.

I want to come back to the issue Mr. Brown raised; it is not because he raised it as such, but because it represents a category of issues that I have heard from colleagues on the floor. You have Georgetown Harbor with an authorized depth of 27 feet; it is not operating at that depth. What were the considerations that led to not awarding funds for channel improvement in Georgetown Harbor?

Ms. DARCY. Sir, my understanding is that there were many, many harbors, that were in the same situation as Georgetown Harbor, meaning that they had not received operation and maintenance funding in recent years. And Georgetown Harbor was, I think, one of many that, when we got through our list of the amount of money we had for operation and maintenance, we had many more projects than we had money.

Mr. OBERSTAR. So there was a triage of sorts, not in the medical sense, but you had to make decisions. What were the factors and why did Georgetown and others fall out?

Ms. DARCY. As I say, I think we had a list of projects that were eligible for the operation of maintenance funding——

Mr. OBERSTAR. Meaning ready to go under the terms of the Recovery Act? What does ″ready to go″ mean in Corps terms?

Ms. DARCY. It means that they were able to execute a contract in a timely manner to do the——

Mr. OBERSTAR. Within 120 days?

Ms. DARCY. I believe it was 90. I am not sure if it was 120.

Mr. OBERSTAR. It was 90 days when it left this Committee. It got extended when it got to 120 days in conference; 120 days to obligate funds. That was not my first preference. I wanted these projects under contract. So you will get back to us with a response?

Ms. DARCY. Yes. I think the case here is that we had a number of projects that were eligible and in going down the list we had X amount of dollars, for—not enough dollars for as many projects that we had.

[The information follows:]

INSERT: PAGE 76

All work packages for Operation and Maintenance work (which includes potential work for Georgetown Harbor, SC) throughout the country were considered equally. The criteria used was strictly based on award date and all work proposed for Georgetown Harbor, SC had award dates past the cutoff dates which were established in order to allocate the limited funding to projects across the Nation.

Mr. OBERSTAR. That is right. If the House bill had prevailed, we would have a whole lot more. And while—I am sorry to repeat myself for those who heard it before, but I think it was a mistake to put the tax cut in this recovery package, although economists with a broader view of the picture are saying, oh, yes, that has helped put money in people's pockets. But I have never received a letter, an e-mail, or a handshake from anyone— Mr. Boozman, did you?

Mr. BOOZMAN. No.

Mr. OBERSTAR. You didn't get any thank-yous either.

Mr. BOOZMAN. But that is generally the case.

Mr. OBERSTAR. No, no, no. People, when they see the road built, they see the street dug up and the sewer going in, they say, gee, that is great, thank you; we are seeing results, we are not seeing any results from that thing, the tax cut thing.

I have been told to keep quiet, the President wanted a campaign, he won the election, he gets what he asked for. So, all right.

Reconnaissance. Can you tell us how many reconnaissance projects have been—how much reconnaissance work has been funded with the Recovery Act?

Ms. DARCY. The Recovery Act dollars, I don't know offhand.

Mr. OBERSTAR. But it is an eligible item, isn't it?

Ms. DARCY. I believe it was, yes.

Mr. OBERSTAR. Would you get back to the Committee?

Ms. DARCY. As long as it wasn't new, right?

Mr. OBERSTAR. Yes. If there were a levee that is way outdated and really needs to be restored, all it needed was reconnaissance work done to evaluate the condition, potential costs, potential benefits that—just get back to us with that.

Ms. DARCY. I will, sir.

Mr. OBERSTAR. There are a number of those that Members have asked about now that the Recovery Act is maturing and questions are being raised. So I would like to have that information.

Ms. DARCY. Yes sir.

Mr. OBERSTAR. Ms. Gelb, thank you very much for being here. Didn't you apologize for somebody, some senior person who couldn't be here?

Ms. GELB. Mr. Hooks is home with the flu. And I think we are all grateful——

Mr. OBERSTAR. We don't want him in the room with that. You are a wonderful representative for EPA. Thank you.

We have, if I recall the numbers rightly from my presentation at the Rules Committee yesterday on the security for chemicals used in wastewater treatment facilities, 600,000 miles of sanitary sewer, 200,000 miles of storm sewer nationwide; 16,000 publicly owned treatment works.

How much of that mileage and how many of these treatment works are being touched by Recovery Act requests from the States? And I ask that because EPA doesn't make those determinations. EPA sends the money out to the States, they do the implementing. All this stuff about paperwork and delay, red tape—there was no red tape. The money all went out.

I read those numbers off at the beginning of this hearing. Those projects, the dollars went out to the States. They were notified, and

then it was up to them to act on it. Did you have any—do you keep track of how much of this work is being addressed?

Ms. GELB. Sir, no. Mr. Chairman, I don't think that we have on a national level an accumulation of the number of miles that is being funded through——

Mr. OBERSTAR. That may not be the best way, but it is one way of evaluating. So it would be good to ask your State agencies to tell us what work is being—how many miles are you addressing.

Ms. GELB. We will see what information we can get and then we will get back to you on that.

Mr. OBERSTAR. It would be interesting to address that issue. We passed legislation in the 110th Congress and again in this Congress to reauthorize the State Revolving Loan Fund program at $15-plus billion dollars. It hadn't been reauthorized in 13 years. At that time in the course of the hearings leading up to the bill, we had testimony about the vast number of treatment works that are well over 40 years old, those that were built in the immediate aftermath of the Clean Water Act of 1972. When I was sitting down there at that staff table, an administrator, crafting the Clean Water Act of 1927, we had $6 billion a year in grants, 80 percent Federal grants; built a lot of treatment works, the big ones for the big metropolitan areas.

And then Ronald Reagan came in in 1980, and in his budget in 1981 in the Reconciliation Act, converted the $6 billion—cut 4 billion out and converted the remaining $2 billion to a State Revolving Loan fund, which we have today.

That was right at the time when the program was to shift from 70 percent of the money going to the big metropolitan areas—Mayor Nunley, Mr. Gritzuk—to smaller jurisdictions, those under 50,000 populations, smaller tax base, less revenue to address their wastewater needs. And right at that time, shifted the burden of cost to smaller jurisdictions and then didn't fully fund the program. And we are way behind.

Now, this stimulus money was to help us catch up on some of that work. How much of that work do you think we are catching up on?

Ms. GELB. Mr. Chairman, as you know, the gap in the clean water infrastructure program is quite extensive. We know that the ARRA funds were very successful in helping States meet some of their unmet need up until this point. As you mentioned earlier, many of the projects are coming in at a bid less than what had been anticipated, and so luckily the States have had deeper project lists on their intended use plans. They are able to go further along in meeting some of the need, being able to stretch their dollars a little bit further. How much further has yet to be seen. We are still working with the States on gathering that information. And in terms of how that addresses the gap, we would be happy to get back with you with a particular number later on.

Mr. OBERSTAR. I want you to do a calculation for the Committee on the estimate of what—we know what the backlog is of POTWs, of sanitary sewer, storm sewer, combined sewer. And we have passed legislation to deal with it, but the Senate hasn't acted on it. It is like the dead letter office. You might as well land it on the

Moon, and nothing happens because you have to have 60 votes to blow your nose over in that body. And the needs continue to grow.

So I would like you to do an updated calculation of those facilities that are almost as old as I am, that need updating, the systems with combined sanitary and storm sewer that need to be separated. How much of that is being addressed in the funding and Recovery Act and how much more could be addressed if we have a second round, which I am working on doing that?

Ms. GELB. Thank you, sir. We will get back to you on your request.

Mr. OBERSTAR. Now, we have had a request from the Associated General Contractors to submit a statement for the record, from the Water and Wastewater Equipment Manufacturers Association, and from the American Iron and Steel Institute to submit their statement for the record, which, without objection, we will do.

[The information follows:]

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AGC of America
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
Quality People. Quality Projects.

November 3, 2009

The Honorable James L. Oberstar
Chairman, Transportation & Infrastructure Committee
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

RE: Recovery Act Buy America Requirements

Dear Chairman Oberstar,

On behalf of the Associated General Contractors of America (AGC), I am writing you to express our concerns in reference to Section 1605 of the American Recovery and Reinvestment Act which contains new "Buy American" provisions which require "public buildings" or "public works," projects funded by the Act to use "iron, steel, and manufactured goods" which are "produced in the United States." AGC is among the oldest and largest of the nationwide trade associations in the construction industry. Founded in 1918 at the express request of President Woodrow Wilson, AGC represents more than 32,000 member companies in nearly 100 chapters throughout the United States including 7,000 of the nation's leading general contractors, 12,000 specialty contractors, and more than 13,000 material suppliers and service providers to the construction industry. AGC members build a wide array of projects and our membership consists of open shop as well as union companies; many are family- and employee-owned small and closely-held businesses.

AGC and its members are a crucial part of the nation's economic recovery and are currently working on construction projects across the Nation funded by Recovery Act dollars. We laud Congress' goal of creating and retaining jobs through investment in infrastructure and are supportive of the significant inclusion of infrastructure funding including additional tax and investment incentives included in the Recovery Act. Had Congress failed to act our industry might be in much worse shape than it is presently, and It has been our experience that where contracts with Recovery Act dollars have been awarded, we have seen jobs created and saved. However, AGC feels that the increased regulatory burden placed on these contracts due to new unprecedented "Buy American" requirements may be holding the Recovery Act back from achieving its true employment potential. Our concerns have been particularly focused on water infrastructure projects receiving funding by the U.S. Environmental Protection Agency which are critical to our Nation's public and environmental health.

AGC is concerned that "Buy American" requirements of the Recovery are burdensome and confusing to contractors, engineers, and the cities and towns who are using Recovery Act dollars to invest in drinking water and wastewater infrastructure. The requirements have had

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the effect of slowing down the utilization of ARRA funds and are placing an inordinate amount of extra risk on the contractors, subcontractors, suppliers and manufacturers presenting unnecessary and unintended barriers to entry to the Recovery Act market, as well as a restriction on potential employment. These concerns are distinguished by rising unemployment in the construction industry which has lost another 64,000 jobs in September 2009 and now faces 17.1 percent unemployment nationwide. According to AGC's analysis 80 percent of layoffs have occurred in nonresidential construction in September of 2009.

AGC is aware that the intent of that statutory language in Section 1605 of the Recovery Act was to make sure that Recovery Act dollars help U.S. producers and manufacturers. However, Congress' well-meaning intentions, like all protectionist measures, could inadvertently hurt the downstream U.S. users of those products and expose contractors to unnecessary risk and increase the potential for unnecessary civil and criminal penalties. AGC believes that greater flexibility in the application of "Buy American" requirements in the Recovery Act will help to minimize unintended negative consequences of this policy and realize the goals of creating jobs through infrastructure investment. AGC remains concerned that there is still a significant amount of confusion among the construction industry, owners, manufacturers and suppliers and we have asked Office of Management and Budget (OMB) and the Federal Acquisition Regulation (FAR) Council to address our concerns when they issue the final guidance for Recovery Act implementation.

There is still a high degree of confusion among the state and local government contracting workforce and our members concerning what is required under the statutory language in spite of extraordinary efforts by Agencies such as the EPA to adapt to these new requirements and educate stakeholders. We have already seen evidence that this confusion is causing states and localities and their construction companies to be overly cautious in implementing 'Buy American' requirements not taking into account certain potential exemptions afforded to them due to misperceptions that certain products are covered that are in actuality not covered under OMB's Interim Final Guidance and uncertainty with respect to potential clarifications forthcoming in OMB's final guidance which has yet to be issued.

Federal agencies have been subject to 'Buy American' requirements under the Buy American Act of 1933 which requires that 51 percent of the iron and steel used in a project be domestically manufactured, this statute has traditionally applied to federally procured construction and projects over a certain threshold and in projects funded by the U.S. Department of Transportation (DOT) for the highway and transit program. The Recovery Act's Buy American provision, enacted as Section 1605, goes well beyond the original Buy American Act mandating that 100 percent of the iron and steel used in a project be domestically manufactured, including manufactured goods which have not been traditionally subject to these types of requirements. Additionally, this requirement has been further expanded to programs which have not been traditionally subject to these types of requirements like the

EPA's federally-assisted State Revolving Loan assistance programs for drinking and wastewater projects. Expanded requirements also alter current "Buy America" law as it pertains to federal procurement and U.S. DOT federally assisted programs which have led to confusion, and there is evidence that despite waiver processes, this provision has slowed down the ability to fund and start "shovel ready" top-priority projects particularly in federally assisted water programs.

This is worsening an already difficult and confusing situation and has had the effect of causing many of our international trade partners tremendous consternation and is setting the scene for potential retaliation by foreign governments, provinces, and municipalities. The construction industry and its state and local government partners are keenly aware of the additional oversight and scrutiny that Recovery Act projects will garner. Unfortunately the level of complexity in the statute and in the rulemaking is creating an environment that only serves to incentivize an atmosphere of confusion about the ambiguities in the OMB and the FAR Council's Interim Final Guidance and the intent of the original legislation. This is particularly problematic for water infrastructure projects which are dependent on a global supply chain which has not been preciously subject to "Buy America" or Buy American requirements.

It is clear from the Recovery Act conference report language that it was the intent of Congress to ensure that Section 1605 complied with all international agreements and did not impede the initiation of projects. The broader domestic preference framework has been in effect for decades, and has developed since the Buy America Act was signed into law and evolved as other agency specific or sector specific domestic preference laws have been passed. Supply chains have developed over time to be in compliance with current requirements, however changes to these requirements in the Recovery Act market place has the effect of limiting competition, causing delays and increasing costs. Even domestic manufacturers that rely on global supply chains for specific items, manufactured goods and technologies are struggling to cope with these new requirements.

OMB's Interim Final Guidance does not address is projects that are partially funded by the Recovery Act in addition to annual appropriations from Congress, state and local governments, water authorities, and municipal bonds. Many times the for these projects are being combined with other dollars, so there is no way to discern when Recovery Act funds are paying for a particular construction material and when non-Recovery Act funds are paying for it. If Recovery Act funds are merely supplementing projects funded with non-Recovery Act funds, we have urged OMB to exempt those projects from coverage. OMB could develop criteria to determine if a project is classified as a Recovery Act funded project. Depending on the nature of those criteria, if a project is determined as meeting those requirements, then OMB should clarify that the Recovery Act rules apply. AGC has recommended that there should be a preference that mixed-fund projects be treated as non-Recovery Act funded projects to ensure clear application of the regulations to both contractors and contracting officers.

Waivers are explicitly allowed under three circumstances: (1) iron, steel, or manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; (2) inclusion of iron, steel, or manufactured goods produced in the United States will increase the cost of the contract by more than 25 percent; and (3) applying the domestic preference would be inconsistent with the public interest. If a waiver is taken, the head of the agency has to publish a notice in the *Federal Register* within two weeks after the determination is made, including a detailed justification as to why the restriction is being waived. The use of these waivers should be encouraged and simplified in appropriate circumstances. The specific two-week timeline for publication in the Federal Register should be removed and replaced with language requiring publication in the fastest practical manner.

AGC has also asserted that a *di minimis* exception should be added to the OMB Final Guidance in order to limit the detrimental impacts of a very small value piece preventing a company from providing an entire system on a project. This can happen in many different types of projects and systems within construction projects which can constitute literally hundreds or thousands of inputs. The EPA has already granted this type of waiver for Buy American provisions of the Recovery Act and USDA has followed suit. This nationwide waiver can be applied to materials or components which constitute five percent or less of the total cost of materials incorporated into a water infrastructure project funded by the Recovery Act through EPA's Clean Water and Drinking Water State Revolving Loan (SRF) programs. This waiver was deemed to be in the public interest by the EPA in order to ensure that Recovery Act-funded projects proceed within the timelines established in the legislation while meeting the ultimate goal of the Recovery Act's infrastructure component creating and sustaining jobs and investing in our infrastructure.

The provision in the Recovery Act providing that Section 1605 be implemented in a manner consistent with international obligations of the United States was created to address concerns that this provision would be contrary to U.S. agreements such as the World Trade Organization Agreement on Government Procurement and various free trade agreements in which the United States participates. Unfortunately the trade agreements exception does not apply to municipal governments (with a handful of exceptions, and even in these cases it is not the full list of designated countries). Municipalities have little or no experience in applying such rules and their projects and contracting schedules are often more sensitive to restrictions on the supply chain, due to the local nature of the projects. The lack of a trade agreements exception at the municipal level impedes universal understanding and application of the act and has already greatly increased the time and expense of moving projects forward, contrary to the objectives of the Recovery Act.

The enactment of this provision is creating great consternation with our international trading partners and could lead them to retaliate with their own protectionist measures. For example, the United States exported approximately nine million tons of steel in 2007. The risk to American steel exports is potentially equal to or greater than the gains that may be realized

from the Buy American provision in the Recovery Act. Conceivably, other nations might extend their focus to manufactured goods, now that the U.S. is doing so. In response to these Buy American measures, other countries would likely choose to echo U.S. legislation by further restricting the ability of U.S. firms to bid on public contracts. Such action—applied to lucrative new projects covered by their own stimulus programs—would raise additional barriers to U.S. manufactured exports.

In conclusion, the Recovery Act, of Buy American provisions have added enormous complexity and delay the ability of municipalities to move water projects forward and will likely impact other areas as well like retro-fitting buildings and utilizing certain "green" technologies, slowing down, rather than promoting the creation of sorely-needed new American jobs. Recovery Act Buy American requirements represent a vast and confusing departure from the traditional application of the Buy American Act of 1933. Prior to the Recovery Act, the Buy American Act applied only to direct federal procurement and USDOT programs setting the threshold for iron and steel products at 51% American, rather than the 100% American set in the Recovery Act. These time consuming requirements increase risk, administrative burdens, and the possibility of civil and criminal penalties. Additionally, confusion regarding the application of Recovery Act Buy American provisions causes unnecessary confusion for state, local and municipal procurement officers causing overly conservative interpretations and magnifying delays beyond expectations.

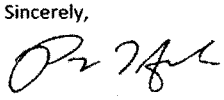
Buy American requirements are artificially constraining the supply chain, increasing costs and decreasing efficiency. Many types of equipment that are specified by engineers and municipalities are preferred for their performance and energy efficiency are not domestically manufactured or incorporate technologies that or manufactured abroad. Requiring only American-made products stifles competition, prohibits the procurement of cutting edge technologies and manufactured goods which will result in projects that don't perform as well, are less efficient, and cost more. This problem is exacerbated when federal funds are joined with state and local funds, diminishing buying power of localities, substantially increasing project costs and causing delays.

Many of the ARRA projects are administered at the local level. However, unlike the Federal Government, municipalities do not enjoy the benefits of trade agreements. Most states and nearly all municipalities are not party to international procurement agreements, meaning they would have no ability to buy from America's major trading partners such as Canada, the European Union and others that offer reciprocal access to their own procurement markets. This is particularly problematic with respect to our largest trading partners. Canadian manufacturers provide many products to the U.S., and they purchase approximately $7 billion of U.S. water equipment annually. This provision will also result in retaliation and the loss of export opportunities for U.S. industries and workers, as countries such as Canada, Australia, Brazil and

China are moving to and have already adopted their own "Buy Local" rules in response that will shut our industries and workers out of their procurements.

AGC is thankful that after years of diminishing federal investments Congress is acknowledging and acting on the tremendous water infrastructure needs in America by making unprecedented investments in water infrastructure through the Recovery Act and FY10 appropriations. AGC is grateful to be a part of this Nation's economic recovery, but it is our hope that the Committee will consider the market disruptions and confusion the Buy American policy is creating not only for the Recovery Act, but additional implications of this will inevitably cause as it is added to additional legislation. If you or your staff would like additional information about what we can do to ensure that the Recovery Act "Buy American" requirements do not impair job creation please contact me at your convenience at (202)547-1983 or fowlerp@agc.org.

Sincerely,



Perry L. Fowler
Director, Municipal & Utilities Division
AGC International Programs
AGC of America

Cc:

The Honorable Eddie Bernice Johnson
Chairwoman, Water Resources & Environment Subcommittee

The Honorable John Boozman
Ranking Member, Water Resources & Environment Subcommittee

The Honorable John Mica
Ranking Member, Transportation & Infrastructure Committee

ATTACHMENTS: AGC Recovery Act Buy America Waiver List (Water Projects)

EPA Waivers

Project/Regional Waivers

10/20/2009 – Village of Ruidoso/City of Ruidoso Downs, NM
http://edocket.access.gpo.gov/2009/pdf/E9-25171.pdf

9/24/2009 – City of Salem, NJ
http://edocket.access.gpo.gov/2009/pdf/E9-23080.pdf

9/17/2009 – Canaan Valley Public Service District, WV
http://edocket.access.gpo.gov/2009/pdf/E9-22429.pdf

9/11/2009 – Kennebec Water District in Waterville, ME
http://edocket.access.gpo.gov/2009/pdf/E9-21940.pdf

9/2/2009 – Utah Division of Wildlife Resources
http://edocket.access.gpo.gov/2009/pdf/E9-20801.pdf

9/1/2009 – Town of Cape Charles, VA
http://edocket.access.gpo.gov/2009/pdf/E9-21123.pdf

8/28/2009 – Bristol Family Center Water System in Bristol, VT, the Kids in the Country School Water System in Dover, VT, and the Otter Valley Union High School Water System in Brandon, VT
http://edocket.access.gpo.gov/2009/pdf/E9-20800.pdf

8/28/2009 – Plymouth Village Water & Sewer District, New Hampshire
http://edocket.access.gpo.gov/2009/pdf/E9-20798.pdf

8/13/2009 – City of Ocean Shores, WA
http://edocket.access.gpo.gov/2009/pdf/E9-19465.pdf

8/11/2009 - Hooksett, New Hampshire Sewer Commission
http://edocket.access.gpo.gov/2009/pdf/E9-19194.pdf

7/28/2009 - Sharon Elementary School Water System, Sharon, VT
http://edocket.access.gpo.gov/2009/pdf/E9-17931.pdf

7/28/2009 - Lewiston, ME Department of Public Services
http://edocket.access.gpo.gov/2009/pdf/E9-17937.pdf

7/9/2009 - Claywood Park Public Service District, West Virginia
http://www.epa.gov/fedrgstr/EPA-WASTE/2009/July/Day-09/f16265.pdf

6/29/2009 - State of New Hampshire Department of Environmental Services' Winnipesaukee River Basin Bureau
http://www.epa.gov/fedrgstr/EPA-GENERAL/2009/June/Day-29/g15318.pdf

6/22/2009 - Auburn, ME Sewerage District
http://www.epa.gov/fedrgstr/EPA-GENERAL/2009/June/Day-22/g14600.pdf

Nationwide Waivers

8/11/2009 – UPDATED *de minimis* Incidental Components of Projects Financed Through the Clean or Drinking Water State Revolving Funds Using Assistance Provided Under ARRA
http://www.epa.gov/water/eparecovery/docs/2009_08_10_FR_Revised_De_Minimis.pdf

6/2/2009 - *de minimis* Incidental Components of Projects Financed Through the Clean or Drinking Water State Revolving Funds Using Assistance Provided Under ARRA
http://www.epa.gov/fedrgstr/EPA-WATER/2009/June/Day-02/w12792.pdf

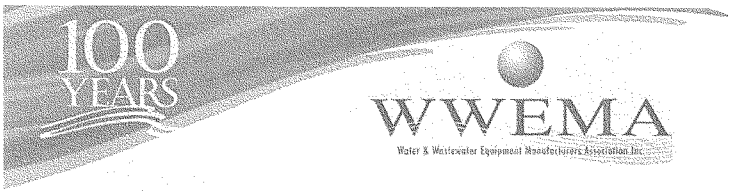
6/2/2009 - Projects that Solicited Bids on or after October 1, 2008 and prior to February 17, 2009 that are Financed through the Clean or Drinking Water State Revolving Funds using Assistance Provided under ARRA
http://www.epa.gov/EPA-WATER/2009/June/Day-02/w12793.htm

4/7/2009 - Projects With Debt Incurred on or After October 1, 2008 and Before February 17, 2009 That Are Refinanced Through the Clean or Drinking Water State Revolving Funds Using Assistance Provided Under ARRA
http://www.epa.gov/fedrgstr/EPA-GENERAL/2009/April/Day-07/g7828.pdf

USDA

Nationwide Waivers

9/25/09 - *de minimis* incidental components of eligible water infrastructure projects using assistance provided under ARRA
http://edocket.access.gpo.gov/2009/pdf/E9-23202.pdf



November 3, 2009

The Honorable James Oberstar
Chairman
Transportation & Infrastructure Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Mica
Ranking Member
Transportation & Infrastructure Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Oberstar and Ranking Member Mica:

Thank you for this opportunity to present the views of the Water and Wastewater Equipment Manufacturers Association (WWEMA) as it pertains to stimulus spending, specifically as it relates to the Buy American Requirement under Section 1605 of the American Recovery and Reinvestment Act of 2009.

WWEMA is a 101-year old, national, non-profit trade organization representing the interests of North American companies that manufacture and supply technologies for municipal and industrial water and wastewater applications worldwide. These companies, the majority of which are U.S. owned, provide highly-engineered technologies that encompass specialty parts and components from sources throughout the world -- products that U.S. municipalities have come to rely upon in meeting their drinking water and wastewater treatment needs.

We commend Congress in its ambitious attempt to reinvigorate the economy by investing in America's water and wastewater infrastructure. The $6 billion in stimulus funds being channeled through the U.S. Environmental Protection Agency's Clean Water and Drinking Water State Revolving Fund (SRF) programs, as well as the $1.38 billion given to the U.S. Department of Agriculture's Rural Utilities Service water and waste disposal loan and grants program, will eventually find their way to U.S. communities and help put people back to work, especially the construction sector which is currently facing a nearly 20% unemployment rate.

However, the goals of ARRA to move projects forward in an expedient and cost-effective manner to help in America's economic recovery are being undermined by the Buy American provision, which is having the perverse effect by stalling projects, limiting competition and threatening U.S. exports.

While we have no objection to a Buy American policy as it has existed for years in the federal procurement process, its inclusion in the Recovery Act has had a devastating impact on municipal procurement and the U.S. water and wastewater industry, in particular.

- The agencies implementing this requirement, as well as the potential funding recipients, have struggled to make sense of the Buy American requirement and the vague and oftentimes confusing guidance that accompanies it. With rare exception, municipalities are not subject to such federal procurement restrictions and have no mechanism for administering them in compliance with this statute.

- Communities with shovel-ready projects had to go back to the drawing board to determine (1) whether their suppliers were in compliance with the Buy American rule; (2) whether they need to seek waivers in order to continue doing business with companies whose technologies they have come to rely upon, or (3) whether they need to search for new suppliers to meet their product needs. Though waivers are available, they are rarely used due to their complexity, time delay, and fear of backlash when they are made public.

- Contractors must ensure compliance with this requirement or face civil and criminal penalties. Recognizing their inability to make such determinations during the frantic bidding process that typically occurs minutes before bid closing, they must place the onus on the equipment manufacturers to certify compliance with this rule and assume all the legal risks involved.

- Equipment manufacturers that bear the ultimate burden of ensuring that their products are "produced in the U.S." are struggling to define what is considered a U.S. manufactured good, and what opportunity exists, if necessary, to seek waivers under this complex set of new requirements.

- Finally, equipment manufacturers are being penalized twice under this new federal mandate. First, due to their global supply chain, even U.S. suppliers may not be able to meet the vague and subjective definition of a "U.S.-produced manufactured good" depending on where they complete final production. Further, due to this new regime of protectionist measures, U.S. companies risk being locked out of the export market by several countries that have already taken, or are threatening to take retaliatory action, including Canada, Australia and Brazil.

Exports of U.S. environmental goods and services have grown dramatically during the past two decades as a result of free trade policies, resulting in nearly 30% of U.S. environmental technology revenues coming from export sales. The ability of U.S. manufacturers of water and wastewater equipment to continue to increase their market share in the global arena, contribute to a positive U.S. trade balance, and increase U.S. employment is threatened by this federal mandate being imposed on municipalities. While this policy may not violate our international trade agreements, it is certainly a dramatic expansion of an existing policy that was the purview of federal procurement activities, not procurement at the sub-federal level.

November 3, 2009
Page three

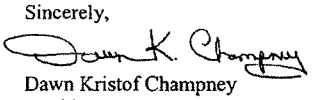
Any supposed new jobs that would be gained by a "Buy American" provision will surely be offset by major loss in business opportunities overseas which has fueled America's economy. Our Nation has worked too hard and too long to break down barriers to trade and open new markets for U.S. goods and services to resort now to such restrictive practices. The U.S. has made tremendous strides in attaining enforceable environmental and labor standards in free trade agreements, an achievement that would not have been possible had the U.S. not taken a leadership role in advancing open and free global trade for the betterment of society.

In summary, critically needed water and wastewater projects are not getting built. Contractors are not getting rehired, with unemployment rates nearing 20%. U.S. equipment manufacturers are spending enormous amounts of time and money seeking legal advice to ensure their compliance with this new requirement in order to avoid the civil and criminal penalties associated with non-compliance. Competition has been curtailed, even at the expense of U.S. companies. Uncertainty and confusion has resulted in zero risk-taking on the part of all industry players; and fear of retaliation has had a chilling effect on future growth for our industry.

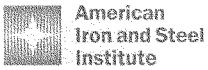
The Net Result: Of the $6 billion in stimulus funds given to the State Revolving Fund programs, only $225 million has been paid out to date . . . that's less than 4% of total available funding.

Something must be done to reverse the 'unintended consequences' of this provision in the Recovery Act.

Sincerely,



Dawn Kristof Champney
President



November 20, 2009

CPTI

THE COMMITTEE ON PIPE AND TUBE IMPORTS

The Honorable James L. Oberstar
Chairman, Committee on Transportation and Infrastructure
United States House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

RE: The "Buy American" Requirements of the *American Recovery and Reinvestment Act*

On behalf of American manufacturing industries, we write to emphasize the critical importance of the "Buy American" requirement of the American Recovery and Reinvestment Act ("ARRA"). This Buy American requirement is essential to ensuring that the ARRA stimulus funding achieves its core purpose – to create and save millions of U.S. jobs and to expand our economy. This requirement, which is consistent with our international obligations, is working as Congress intended it to do.

U.S. manufacturing industries have been particularly hard-hit in the recent economic downturn. The Bureau of Labor Statistics (BLS) recently reported that the nation's unemployment rate rose from 9.8 to 10.2 percent in October of 2009, with some of the largest job losses occurring in the construction and manufacturing sectors. From the beginning of the recession in December 2007 through June 2009, 1,918,000 manufacturing jobs have been lost — 1,033,000 of those lost in 2008 alone. But, the loss of jobs in the U.S. manufacturing sector did not begin in 2007. In fact, U.S. manufacturing has been in a recession for the entire decade, losing 5.3 million jobs between January 2000 and May 2009.[1]

These economic realities have significantly impacted the iron and steel industries. Indeed, many U.S. foundries and steel mills have idled facilities, resulting in thousands of layoffs and significant unused capacity. For example, one Texas foundry that supplies the nation's drinking water and wastewater infrastructure is operating at 17 percent capacity and has laid off 57 percent of its hourly employees in 2009, resulting in a 45 percent reduction in employment since December 2008. Unfortunately, countless other domestic manufacturers of drinking water and wastewater

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[1] Alliance for American Manufacturing, *Buy America Myths & Facts*. http://www.americanmanufacturing.org/wordpress/wp-content/uploads/2009/07/buyamericamythsfacts-aug-2009.pdf, (Aug. 2009). *See* Attachment B.

infrastructure materials face a similar scenario.

Recognizing that American foundries and steel mills are operating at a mere fraction of their capacity, but are capable, with the appropriate stimulus, of quickly meeting demand, Congress included the Buy American requirement in the ARRA to ensure that U.S. taxpayer dollars are used to provide jobs here in the United States.

Since passage of the ARRA, many importers have objected to the Buy American requirement for various reasons. The importers unfairly characterize the Buy American requirement as benefiting only a handful of companies at the expense of many others. Additionally, they frequently claim that the requirement is in contravention of our obligations under international agreements or that the U.S. manufacturing sector is incapable of fulfilling the needs of our nation's infrastructure. These contentions are simply wrong. Ample evidence exists to support the fact that the U.S. manufacturing sector is capable of fulfilling our national infrastructure needs, that the Buy American provision is consistent with our international obligations, and that the Buy American policy is accomplishing what Congress intended it to do. Quite simply, the Buy American requirement is working.

The Buy American Policy Works

While implementation of the Buy American provision is still in the initial stages, the provision is indeed putting Americans back to work without creating the hardships that detractors claim it will. For example, most of the water infrastructure products used in state and municipal water systems are manufactured domestically. But, in the limited circumstances when domestically produced goods have not been available for these ARRA funded water infrastructure projects, waivers of the Buy American policy have been awarded. Indeed, the EPA has only granted a limited number of waivers to the Buy American requirement of the ARRA—deeming unavailability waivers necessary only 17 times out of the 1,618 Clean Water and Drinking Water Revolving Fund agreements to date. [2]

The low number of waivers awarded by the EPA can be attributed to a number of factors. One of the primary reasons is that U.S. producers currently have ample supply of water infrastructure products and have the available capacity to meet the needs of the market. Because iron foundries, for instance, have significant inventory supplies on the ground today and have cut back on production, U.S. producers can quickly meet the demand to supply these domestic water projects.

In the limited instances when the necessary domestic materials cannot be procured, the ARRA Buy American requirement has been waived – and without any appreciable delay to the water infrastructure projects. In fact, the waiver process could be improved to be even more expeditious. A simple but effective way to accomplish this would be to create real-time transparency. This could be done by requiring that all waiver requests be posted on an Internet website, such as the EPA's ARRA website (http://www.epa.gov/water/eparecovery/), within five days of receipt of the request. The five day public notice would provide U.S. producers ample

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[2] http://www.epa.gov/water/eparecovery/

time to review waiver requests and to informally comment on such factors as product availability. After all, U.S. producers are likely in the best position to know if a legitimate basis for a waiver exists and to demonstrate if there is no such basis. But, to do so, U.S. producers must have prompt notice of a waiver request. This proposal would not be difficult to implement. A similar policy is already followed by the Federal Highway Administration ("FHWA") for both waiver requests and notices of intent to grant waivers, and has been carried out successfully with no appreciable delay in the projects for which waivers have been sought. By requiring timely notice of waiver requests, the EPA will be better able to verify the validity of waiver requests and will adhere to the underlying intent of Congress to achieve the highest level of transparency feasible in the waiver process. Granting U.S. producers the opportunity to demonstrate the existence of domestically produced supply also achieves the ARRA's core purpose of stimulating domestic demand and creating jobs in the United States.

Another reason that the number of Buy American waivers has remained low is because the barriers to market entry for many water infrastructure products are extremely low. Many iron products manufacturers can quickly ramp up production on numerous waterworks products. For example, at the request of its customers, Texas-based Star Pipe Products, which supplies the waterworks industry, announced that it had expanded its line of U.S.-manufactured products in order to satisfy Buy American requirements and supply ARRA-funded projects. This admirable move to source domestically supports American workers and fulfills one of the main objectives of the ARRA. *See* Attachment A.

These Buy American success stories are not limited to the waterworks industry. The ARRA Buy American provision is also fostering U.S. production of emerging technologies. Various news outlets recently reported that Suntech Power, a Chinese solar manufacturer is building its first U.S. solar photovoltaic module assembly plant in Phoenix, Arizona. Suntech America President, Roger Efird, stated that the "Buy America movement" was an essential element of Suntech's plans for the Arizona factory.[3]

Buy American and U.S. Obligations Under International Agreements

Contrary to detractors' allegations that the Buy American requirements violate U.S. international obligations, the ARRA includes language ensuring that the Buy American provision does not contravene international law. Section § 1605(d) of the ARRA specifically mandates that its Buy American section be applied in a manner consistent with U.S. obligations under international agreements.

As a general rule, under international law, the United States and other members of the World Trade Organization ("WTO") can favor their respective domestic suppliers over foreign suppliers of goods and services in government procurement. Each country, however, may depart from this general rule and commit, to whatever extent it chooses, to treat foreign suppliers no less favorably than it treats its own domestic suppliers (i.e., "national treatment"). The United States has entered into a series of international agreements for this purpose — most of which

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[3] Benjamin Romano, *Suntech to build first U.S. module factory in Arizona,* Recharge News, http://www.rechargenews.com/energy/solar/article198780.ece (Nov. 2008).

have come about in the last 15 years. These international agreements principally include the WTO's Agreement on Government Procurement ("GPA") and a series of bilateral and regional trade agreements that also address government procurement.

Parties to the WTO's GPA, as of November 2009, are Canada, the European Communities and its 27 countries (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom), Hong Kong, Iceland, Israel, Japan, the Kingdom of The Netherlands with respect to Aruba, Korea, Liechtenstein, Norway, Singapore, Switzerland, the United States and most recently, Taiwan. As of November 2009, the United States also has entered into bilateral and regional agreements that include provisions concerning government procurement with Australia, Bahrain, Canada, Chile, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Mexico, Morocco, Nicaragua, Oman, Peru, and Singapore. Additionally, the United States is close to having bilateral agreements on government procurement with Colombia, Panama, and South Korea.

If another country is a party with the United States to one of these international agreements, the United States is obligated under international law to accord national treatment to the products and services of that country's suppliers. The United States is only obligated, however, to the extent specified by the terms of the agreement.

A good example of the obligations and limitations of international agreements involves the much-discussed U.S. obligation to Canadian suppliers. Canada is a party to both the trilateral NAFTA and the plurilateral WTO GPA - both of which deal, either in whole or in part, with procurement by the signatories central (or federal) and sub-central (or sub-federal) governments.

NAFTA applies only to direct Federal procurement. Article 1001-1(a) of NAFTA states that the Chapter applies to procurement by a state or provincial governmental entity set out in Annex 1001.1a-3. Because Annex 1001.1a-3 lists **no** state governments, NAFTA does not apply to state procurements. Indeed, the statement of administration policy issued with NAFTA specifically states that the obligations of NAFTA Chapter 10 do not apply to procurements made with federal aid to the states.

Under the GPA, the U.S. federal government extends national treatment to Canadian goods with regard to direct federal procurement. However, the United States explicitly does not extend national treatment to Canadian goods with regard to procurements of the sub-federal entities listed in Annexes 2 (states) and 3 (i.e., the TVA, certain ports). The U.S. General Notes state: "For goods and services (including construction) of the following countries and suppliers of such goods and services, this Agreement does not apply to procurement by the entities listed in Annexes 2 and 3 or the waiver described in Annex 3: **Canada.**" The General Notes continue: "The United States is prepared to amend this note at such time as coverage with respect to these annexes can be resolved with a Party listed above."

The inapplicability of NAFTA and the GPA to the provinces and other sub-national entities is a result of unilateral action by Canada, not the United States. In the landmark *1936*

Labour Conventions case, Canada's Privy Council ruled that the Canadian federal government can negotiate international agreements, but cannot implement them in areas of provincial jurisdiction.[4] Consequently, the Canadian federal government could negotiate both NAFTA and the GPA, but it can not implement them in areas of provincial jurisdiction absent legislation by the provinces. While a majority of U.S. states have acceded to the GPA, no Canadian provinces have done so.

Indeed, Annex 2 of the Canadian Appendix to the GPA states that the "Canadian Government offers to cover entities in all ten provinces on the basis of commitments obtained from provincial governments." Nonetheless, no provincial entities have committed to the obligations of the GPA.[5] Accordingly, in the absence of reciprocity, Canadian goods are not given national treatment for procurements at the sub-federal level.

Iron and Steel Under the Buy American Provision

Congress deliberately defined the scope of the ARRA to include "iron" and "steel." Indeed, the statute explicitly states that only iron and steel produced in the United States be used in the construction, alteration, maintenance or repair of any public building or public work funded under the ARRA.

The terms "iron" and "steel" have been defined and interpreted in existing Buy American statutes beginning in the early 1980s. Many people, however, continue to misconstrue the application of these Buy American statutes while maligning the ARRA's Buy American requirement, particularly with respect to the regimes within the Department of Transportation (DOT). Under the DOT regimes, for "steel" to be "produced" in the United States it must be melted and poured in a blast or arc furnace in the United States. Under this definition, for example, steel sheet made from slab produced outside the United States would not be considered steel produced in the United States. As a specific example, the FHWA, which has been applying a Buy America provision since 1983, requires that "all manufacturing process of steel material (i.e., smelting, and any subsequent process which alters the steel material's physical form or shape or changes its chemical composition) must occur within the United States to be considered of domestic origin."[6] Similarly, the Federal Transit Agency's regulations provide that all steel

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[4] Marc Lee, *Strengthening Canada: Challenges For Internal Trade & Mobility: In Search Of A Problem: The Future Of The Agreement On Internal Trade And Canadian Federalism*, 2 Asper Rev. Int'l Bus. & Trade L. 225 (2002).

[5] Perhaps most confounding given much of the rhetoric associated with the Buy American clause and access for Canadian goods, is that even in the absence of the provincial accessions, the Canadian federal government reserved certain exemptions from coverage of the GPA for all provinces. These exceptions will apply to steel, motor vehicles and coal if any provinces accede to the Agreement.

[6] *Headquarters Memorandum Dated July 6, 1989*; Subject: Buy America Requirements provides guidance concerning Buy America certifications, the calculation of a *de minimis* amount of foreign steel, and the relation of NAFTA to the FHWA's Buy America program. http://www.fhwa.dot.gov/programadmin/contracts/070689.cfm.

and iron manufacturing processes, i.e., melting and pouring, must take place in the United States ("except metallurgical processes involving refinement of steel additives").[7]

In promulgating its ARRA Buy American interim guidance, the Office of Management and Budget adhered to well-established Buy American law and to long-standing interpretations set forth by the DOT for nearly three decades.

* * *

Critics of the ARRA Buy American policy will continue to argue that the measures are not effective. However, supporting domestic manufacturing by purchasing American-made goods, especially during the greatest economic downturn our country has faced since the Great Depression, is sound policy. It prevents leakage of jobs by ensuring that large taxpayer investments in our economy are not spent overseas. It also reinvests in the U.S. manufacturing base, creating jobs at all levels of the supply chain and fostering growth in new manufacturing sectors.

American Iron and Steel Institute (AISI)

Committee on Pipe and Tube Imports (CPTI)

Municipal Castings Association (MCA)

Specialty Steel Industry of North America (SSINA)

Steel Manufacturers Association (SMA)

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[7] 49 C.F.R. 661.5.

ATTACHMENT A

From: Star Pipe Products marketing@starpipeproducts.com Date:
June 14, 2009 9:38:09 AM PDT
Subject: Star is now American Made

http://www.starpipeproducts.com/images/star_logo_usa.gif

June 15, 2009

RE: Star is now American Made!

To Our Valued Customers:

Star Pipe Products is pleased to announce our new American Made line of Waterworks Fittings and Joint Restraint Products. Due to recent provisions set forth by the American Recovery and Reinvestment Act (ARRA), our customers asked us to develop a domestic line of products to complete their product offering. Star was happy to oblige and looks forward to a continuing, long-lasting partnership.

For almost 30 years, Star's goal was to be a reliable option in the waterworks industry that focused on value. Our new introduction combined with our globally sourced products will give our partners the competitive edge.

Look for our new "MADE IN THE U.S.A." inventories for Joint Restraint products to start arriving in August, and our Fitting inventories to start arriving in September.

Please call your Star Pipe Representative for more information.

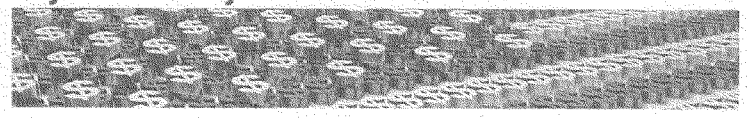
Regards,

Dan McCutcheon

ATTACHMENT B

Alliance for American Manufacturing
AAM
Keeping America Strong
August 2009
For Your Information

Buy America Myths & Facts



The American Recovery and Reinvestment Act (ARRA), commonly referred to as the Stimulus Act, includes a "Buy America" requirement to help put Americans back to work by ensuring that iron, steel, and other manufactured goods used in infrastructure projects are procured from domestic producers in a manner consistent with U.S. trade obligations. Since the legislation was enacted, foreign embassies, foreign producers, and the organizations that represent them have mounted an organized campaign of half-truths and myths in an effort to diminish support for Buy America. Despite the fact that 84 percent of the American public strongly supports Buy America, they are attempting to sway government and elected officials, arguing that this provision is bad for the U.S. economy and job creation. The facts, however, tell a different story.

WHO SUPPORTS BUY AMERICA?

A Harris Interactive poll found that 84 percent of Americans strongly support the Buy America requirement in the Stimulus Act.

Congress adopted strong domestic sourcing requirements within the Stimulus Act on a bipartisan basis. The Senate provision was added with no objection in the Appropriations Committee, and the full Senate voted 65-31 to maintain the language. Meanwhile, the House Appropriations Committee voted 55-0 to include the requirement.

To date, more than 500 states, municipalities, and other local governments have passed "Buy America" resolutions.

Weakening Buy America laws would only satisfy a handful of foreign governments and producers, but would deny the strong support for Buy America among U.S. taxpayers, Congress, and state and local governments. Strictly upholding this domestic sourcing requirement in the Stimulus bill will accomplish the goal of putting Americans back to work.

WHAT NEEDS TO BE DONE?

- The domestic sourcing requirement in the American Recovery and Reinvestment Act should not be weakened or modified. To that end, the Obama Administration should strictly uphold the intent of Congress that domestically-sourced materials be used in projects designed to put Americans back to work.

- Additional taxpayer investments in the U.S. economy, whether in infrastructure, stimulus, or other programs, should include Buy America requirements. Buy America has been the law of the land for decades and remains the permanent underlying law with respect to various infrastructure related expenditures.

WHY DO WE NEED BUY AMERICA?

Myth: The Stimulus and Buy America are simply not working.
Fact: Critics of the Stimulus and Buy America provision who argue that these measures are not effective are rushing to judgment. As of June 30, only $157.8 billion of the $499 billion allocated for stimulus projects has been made available to the states. Of the $157.8 billion, still fewer dollars, $56.3 billion, have actually been spent. As more ARRA dollars enter the pipeline, the Buy America provision will enhance job creation at all levels of the supply chain since it ensures that U.S. tax dollars are spent on materials produced in the U.S.

Myth: Manufacturing doesn't need any help.
Fact: In 2008 alone, the U.S. economy lost 1,033,000 manufacturing jobs. Since the current recession officially began in December of 2007, 1,918,000 manufacturing jobs have been lost, including the most recent drop in manufacturing employment in June. [U.S. Bureau of Labor Statistics data.] However, this manufacturing decline is not entirely caused by the current economic downturn. The U.S. manufacturing sector has been in a recession for the last decade, losing 5.3 million jobs between January 2000 and May 2009 [Economic Policy Institute].

These manufacturing job losses are a reflection of our unprecedented imbalance in trade. The U.S. is producing roughly $2 billion less per day than it consumes. By the time the current recession had started in December of 2007, the U.S. was already operating with an overall $700 billion trade deficit. [U.S. Bureau of Economic Analysis] The deficit in trade in goods alone added $830.9 billion to the U.S. 2007 trade deficit, dwarfing the $129.5 billion surplus in services. Even as the U.S. trade deficit declined by $5 billion in 2008, a minuscule amount compared to the total deficit, the U.S. deficit in the trade of goods actually grew by over $9 billion. So, at a time when U.S. and global demand was shrinking, imports to the U.S. actually grew.

Myth: Buy America is poor economics.
Fact: Supporting domestic manufacturing by purchasing American-made goods, especially during the greatest economic downturn our country has faced since the Great Depression, prevents "leakage" of jobs by ensuring that large taxpayer investments in our economy are not spent overseas, a problem cited by such mainstream economists as BusinessWeek's Michael Mandel. It has also been noted that a concerted domestic procurement program could increase U.S. manufacturing job creation by 33% and ensure that taxpayer dollars are spent at home. [Heintz, Pollin, Garrett-Peltier.]

DOES BUY AMERICA CAUSE FRICTION WITH OUR TRADE PARTNERS?

Myth: This policy is "protectionist" and violates our trade agreements.
Fact: The Stimulus Act requires that the Buy America provision be "applied in a manner consistent with U.S. obligations under international agreements." It is important to note, that such negotiated trade agreements allow for domestic preferences under a number of circumstances. These preferences were negotiated for a reason and it would be irresponsible not to utilize them to the fullest extent possible just as our trading partners do. For example, funding for highway and transit programs is exempt under all international agreements.

The precedent for a domestic sourcing requirement is well-established, dating back 75 years to the Buy American Act of 1933. The Department of Defense has had its own Buy America provision (The Berry Amendment) since 1941. In addition, the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and Federal Railroad Administration (FRA) all have long-standing Buy America provisions.

Myth: This will ignite a trade war and deepen the recession.
Fact: While the Stimulus Act includes $150 billion for infrastructure projects, the actual figure spent on goods manufactured in the U.S. pursuant to Buy America will be even smaller. This pales by comparison to the total 2008 two-way U.S. trade in goods and services of $4.5 trillion or the $2.5 trillion worth of goods and services that the U.S. purchased from the rest of the world in 2008. [U.S. Census Bureau data.]

To get a clearer view of this issue, a historical perspective might be useful. In 1983 President Ronald Reagan signed into law expanded Buy America requirements in the midst of a recession. It neither extended the recession nor sparked a trade war.

Myth: As the world's "largest exporter," the U.S. could be hurt by not buying foreign-made goods because our trading partners would then refuse to buy from us

Fact: The U.S. is, by far, the world's largest importer, soaking up a net total of over $840 billion in imported goods in 2008, a balance of sales that our trading partners are anxious to preserve. [U.S. Census Bureau data] Yet, this is not about restricting imports. It is about using taxpayer dollars, as appropriate, pursuant to our international obligations, to purchase U.S.-produced goods to stimulate our economy. As the global downturn has progressed, many industrialized countries such as France and China have already taken similar actions to support their domestic manufacturing base. China, a country that exports much more to the rest of the world than it buys from other countries, has reaffirmed its "Buy Chinese" policy in June for their economic stimulus projects without issuing any apologies to the U.S. Likewise, the U.S. need not apologize for trying to support its own domestic production in accordance with its international commitments.

Myth: The U.S. is setting a bad example by closing its market.

Fact: The U.S. has been a leading party in reaching broad international procurement agreements that open our market to foreign competition. We grant market access to others when they agree to do the same for us. The Stimulus bill clearly articulates that these agreements remain in effect. Accordingly, the domestic procurement requirements provide a powerful incentive for countries with closed procurement systems to make reforms that promote free trade. After all, the entire framework for international procurement rules is founded on reciprocity. Granting unilateral access to our procurement markets to countries refusing similar treatment to us would make absolutely no sense, and would actually dilute or eliminate any incentive these countries have for opening their own markets.

A good example is China, which has not signed the international Government Procurement Agreement and has had a domestic sourcing requirement in place since at least 2002 that limits government procurement to domestic goods, construction, and services except when the products cannot be obtained in China or cannot be obtained on reasonable commercial terms in China. It recently reaffirmed that policy with respect to its $587 billion stimulus package. It is also worth noting that China continues to subsidize its own producers via deliberate (and illegal) currency undervaluation.

DOES BUY AMERICA HELP OR HURT AMERICAN BUSINESSES?

Myth: Buy America is counter-productive and causes Americans to lose jobs if a business is not able to participate in stimulus projects.

Fact: The case of Duferco-Farrell Corp. in northwest Pennsylvania provides a compelling example of an opportunity for job preservation and creation in the U.S. Duferco is a Swiss-Russian owned multinational steel producer that prefers to import its raw steel slab all the way from its parent company in Russia, even though it is readily available from U.S. suppliers. One of its largest downstream customers, Wheatland Tube Co., said it would continue to purchase rolled-steel from Duferco for Stimulus-related business, but only if Duferco uses domestic content. To be clear, no jobs are lost at Duferco because of the Buy America requirement. Instead, its compliance with Buy America supports its workforce with new business resulting from the Stimulus Act and provides new business to domestic steel slab suppliers that are running well below capacity and have been forced to lay off workers, including its own subsidiary slab-producer in Indiana. It makes more sense to put them back to work before sending U.S. taxpayer dollars overseas.

Meanwhile, a Stimulus-funded bridge project on County Road 9 over the Schoolcraft River in northern Hubbard County, Minnesota, is underway. According to a Hubbard County engineer who is overseeing the project, domestically sourced inputs, including cement, plywood, and 55,000 pounds of reinforced steel, are being used because of the Buy America requirement. Local projects had used foreign inputs in the past, which are less stimulative for domestic job creation. Domestic steel is being used to create thirty-foot I-beams to support the bridge deck. Steel rebar is also used in the project. The local engineer also reports that the Buy America requirements are not burdensome and are not an impediment to the project. The project came in under budget with $600,000 allotted, but only $430,000 needed to complete the project. The bridge construction is moving quickly and is expected to be completed in September.

At the request of its customers, Texas-based Star Pipe Products, which supplies the waterworks industry, has

announced that it will expand its line of products that are made in the U.S. so that they meet Buy America requirements and may be used in Stimulus-funded projects. This supports American workers, one of the main objectives of the Stimulus Act.

Pike Industries, with operations in Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island, was awarded $31.5 million from the Stimulus Act to complete various roadwork construction projects that will create jobs directly and indirectly through subcontractors and increased business activity at local sawmills hotels, fuel companies, convenience stores, and coffee shops. Not insignificant is the fact that Pike produces its inputs domestically and that the Stimulus-funded work and the Buy America requirement will support its 41 asphalt facilities throughout New England.

Myth: Buy America's sole purpose is to protect dying industries.
Fact: Investing in domestic supply chains can promote growth in new industries in the U.S. A good example is United Streetcar of Clackamas, Oregon, which is building the first modern streetcars to be manufactured in America in nearly 60 years. It is set to build seven streetcars for the city of Tucson, Arizona, and another six streetcars for the city of Portland, Oregon, as part of system expansions. The work is partially-funded by the federal government and complies with the Federal Transit Administration's "Buy America" Act that requires at least 60 percent of a vehicle contain domestic content. As a result, the work will create manufacturing jobs for an entire network of companies, both locally and throughout the U.S.

Myth: This will raise the cost of projects.
Fact: Competitively-priced, domestically-sourced products are readily available. But, additional cost, if any, is more than justified. Purchasing high-quality American-made materials yields an enormous productivity dividend, both in terms of jobs created and the overall reward to the economy. Infrastructure investment would undoubtedly create millions of new U.S. jobs, but there is also the importance of revitalizing the American manufacturing base, which is uniquely capable of generating 4-5 new jobs for each employed manufacturing worker.

As a protection to the American taxpayer, Section 1605 of the Stimulus Act allows for waivers of Buy America requirements under certain circumstances. For example, the provision may be waived if the use of domestically-produced goods increases the cost of the overall project by more than 25 percent or if goods are not produced in the United States in "sufficient or reasonably available quantities." Similar provisions are included in the "Buy American" Act, which was passed by Congress in 1933 and in other Buy America statutes, including those for funding of highway and transit projects.

Based on 2007 federal contracting data, Buy American Act waivers were granted in the case of insufficient domestic availability for only 0.29 percent of federal contracts, and waivers for cost concerns amounted to just 0.20 percent of spending. Overall, the goods purchased under these waivers represent 0.01 percent of all federal contracting dollars spent. These statistics clearly demonstrate that U.S. goods are readily available, affordable and can be used to create U.S. jobs.

About AAM
The Alliance for American Manufacturing (AAM) is a unique non-partisan, non-profit partnership forged to strengthen manufacturing in the U.S. AAM brings together a select group of America's leading manufacturers and the United Steelworkers. Our mission is to promote creative policy solutions on priorities such as international trade, energy security, health care, retirement security, currency manipulation, and other issues of mutual concern.

Mr. OBERSTAR. But the central issue raised in these two letters deals with the Buy America provision. And the equipment manufacturers say, quote, ″Inclusion of Buy America policy has had a devastating impact on municipal procurement and the U.S. water and wastewater industry in particular.″

They don't submit any specifics in support of that statement, but they do raise the issue. Now, I know that in preparation for the stimulus, EPA issued three nationwide waivers on equipment that is not manufactured in America—under the provisions of the Buy America Act, which EPA is authorized to do—to issue three nationwide waivers for items that can't be purchased in—made exclusively elsewhere— and three regional waivers, certain regions of the country; and third, a de minimus waiver for incidental components to pumps, lift stations, hydrants and so on that are part of the machinery of infrastructure.

For example, Auburn, Maine, the sewerage district requested a waiver for ductile iron, spring-loaded hinged manhole covers and frames. And the waiver was granted in May. I don't know what they are complaining about. They are just making a general complaint.

So I want you to review these letters and give a response to the questions raised. I can go on, and I won't, although I do want to signal—I just wanted to—Bristol, Vermont, for their water system and the Otter Valley Union High School in Brandon, Vermont, requested a waiver for certified ultraviolet disinfection equipment. I mentioned this generally in my opening remarks. That waiver was granted. But what we learned subsequently is that U.S. manufacturers who are making ultraviolet disinfecting equipment for air pollution equipment said we can do it for water. If we do it for air, we can do it for water. And a whole new manufacturing sector sprang up as a result of the Recovery Act.

Now there are 50 or 60 jobs in this plant producing ultraviolet equipment. It would be good for you to—your staff and all to review these waiver requests, how many have subsequently stimulated U.S. production, and just generally respond.

Of course, I will respond to the manufacturers' claim that of $6 billion in stimulus funds for a State Revolving Loan Fund program, only 225 million has been paid out to date. You have to do the work first and then get paid. The same thing in their business. They don't get paid first and then deliver the equipment. It is only when the contracts are under performance and the State is paying the contractor—I mean, the municipality is paying the contractor, and then they come back and ask for the reimbursement. All right? Okay.

Secretary Hanger, several States have told us that recovery funds have been helpful for communities to address their noncompliance issues. We had a requirement in the act also, it was my—I will take credit for it, or blame, whichever it may be, but I insisted that in all of the recovery funds under the jurisdiction of this Committee, the funding be allocated on a priority basis to those areas of the State that had the highest unemployment, as recorded and certified by the U.S. Economic Development Administration of the Department of Commerce. EDA makes those deter-

minations every month. And this is a job-creating program. Funding ought to go to the places that have the highest unemployment.

So, generally, States have done a good job of complying with that requirement. So can you address that issue, your distribution of dollars according to highest unemployment, and how many of those who were out of compliance have also been helped?

Mr. HANGER. The recovery dollars have been often completely vital to communities facing serious noncompliance issues. Recovery dollars have allowed us to provide grants in cases where grants alone really can meet the need because the communities, they have a very low tax base; B, seriously decrepit infrastructure, quite literally. In some instances we have found 100-year-old lines—wood—we have taken out some wood. And often those two circumstances coincide with very high unemployment, local unemployment.

So offering a loan to some of those communities, even at a very low interest rate in some instances won't enable the project to get built and—because there is not enough money to pay back a loan, even at a very low interest rate. So those dollars have dealt with serious environmental and public health impacts.

These noncompliance issues, at least in my State, are serious ones. We are talking about raw sewerage in some instances entering water. We are talking about substantial loads of nitrogen and phosphorous entering water that then causes waterways to be unable to be fishable or swimmable, the Clean Water Act goals.

So the dollars have been a blessing. It has allowed probably—it is at least a four-time increase over what the State Clean Water Revolving Fund could have done in a normal year. And we have also—the State taxpayers have also put a considerable amount of dollars on the table to further increase the work that we are doing at——

Mr. OBERSTAR. Thank you for that response. That is very good. And I would like you to submit for the record information on a number of communities who were in noncompliance, who have been helped to come into compliance with Recovery Act funds. That would be very beneficial.

Mr. OBERSTAR. And then we will ask EPA to do that nationwide and quickly survey the State SRFs and ask them to respond to that question. If we can do a 2-for-1, create jobs, bring communities into compliance, maybe three, and then you clean up receiving bodies of water to be closer to the goal of fishable, swimmable, we are doing a really great long-term service for the country.

Do you have a rating system in Pennsylvania? In Minnesota, the SRF has a list of 263 projects. They have them 1 through 263, towns that have no treatment system at all. They have septic systems or mound systems. And here is Minnesota's listing. It just goes 1 through 263 where is the other thing here, that page? It goes from 1 to 263 and they just went down that list. These towns have all been waiting for funding for years, and there was no second-guessing except—here is my list.

Thank you, Ryan. For the record, Ryan Seiger. This is the list that Minnesota used. So they didn't have to do any second-guessing or—and there were no complaints from the communities, Oh, I didn't get mine. They all knew where they were. That list has been available for years, every year, with the available funds, meager

funds that Minnesota has had, meager funds that you have had in Pennsylvania. They have doled it out according to this.

Do you do the same kind of thing?

Mr. HANGER. Yes, but in a slightly different way. We certainly keep track of those communities that are in noncompliance. We have permits and we are well aware of what communities are in noncompliance and what communities have significant financial problems as a partial explanation for the noncompliance.

And what we do is work with communities and, as you say, we have a backlog of projects. We always have a backlog of projects. And we did require the communities to apply for these funds. We didn't simply go through a preexisting list and say—we can go down to the 30th on the list. We did have an application process. But we have a lot of information and relationships with these communities because in many instances the problems are longstanding, and we have been struggling with those communities to sort of put Band-Aids when really a Band-Aid won't fix it.

Mr. OBERSTAR. That is a very good description. Exactly what it is. Did you have experienced communities in Pennsylvania that had trouble with the Buy America Act?

Mr. HANGER. I have not received a lot of complaints about that. And as you can see, we have already got a lot of projects out to bid and under contract and even underway. And I think, further, in Pennsylvania there is a lot of support for the notion of making these dollars stay in the United States and stay in Pennsylvania.

So I think there is a lot of understanding for the purpose of that requirement where these dollars—I mean, this is about the American economy, our crisis, our workers. And in our experience, it has been a workable provision, as you pointed out eloquently. There are waivers so that when we are in a situation which I would call a tragedy, where you just can't find something made in the United States any longer in order to—that is necessary for a project—there is a waiver that is possible.

Mr. OBERSTAR. Thank you. Thank you for that response.

I found that where we are underinvesting, we as a Nation, cities, States, underinvesting in an economic sector, that the production to support that sector dries up. And often the industry itself moves offshore, moves to Europe, China, Korea, Taiwan, Japan. That is what happened with transit all through the 1950s and 1960s and 1970s. Then we started putting some money into transit agencies in America. I held hearings—did you know Bill Clinger from Pennsylvania, Member of Congress, State College District?

Mr. HANGER. Yes.

Mr. OBERSTAR. He and I on this very dais held hearings on a Buy AMERICA provision. We found that the Federal Highway Administration was 100 percent in compliance, all the steel going into the Federal aid highway programs, American steel. That meant the steel works in Pennsylvania, Ohio, Indiana, Illinois were pouring raw steel, and iron ore mines in my district were making the iron ore to supply the steel mills.

We got to the transit agency and more than 50 percent of all the work was offshore. All the major components for streetcars, light rail, commuter rail, intercity—other intercity passenger rail, bus systems, had dried up in the United States. Allied-Signal was the

only one left in the United States, and they were buying a lot of their components from foreign suppliers. Why? Because there was no market in the United States.

But then in 1982, we committed a penny out of the Highway Trust Fund revenues, penny of the gas tax to transit. And that now is about 8- $9 billion a year. And we have had two foreign-owned bus producers relocate into the United States. We have all these suppliers for rail transit, for streetcar, for light rail systems and all the rest, all coming back to the United States. They found a way to relocate in the U.S. marketplace and build product for the U.S. marketplace, because there is a demand for it there is a need for it and there is money to buy it.

That is what we are doing with this stimulus program. If it has the ancillary effect of stimulating U.S. manufacturing jobs, so much the better.

Now, I want to thank Mayor Nunley and Mr. Gritzuk for making the long trek to Washington. It is a long haul to come out here from your part of the world. But you are on mountain time zone? You as well, Mr. Gritzuk. That is a 2-hour difference in time. Awfully good of you to participate in this hearing.

Do you have some lessons learned that we can apply to the program from here on out, and for a second round, if we do a second round of stimulus?

Mr. GRITZUK. Can I?

Mr. OBERSTAR. Please.

Mr. GRITZUK. We very much appreciated receiving the stimulus funding. In fact, it was an incentive to move ahead with the project that I described. And what it also did for us is that with the funding that we received, we took that funding and we will apply it to an unfunded project. And in this case it would be a project, a sewer line that needs rehabilitation.

The advice that we could give is that you have to be aggressive in this program. I think we were in Arizona. I think that Arizona demonstrated that it could move ahead aggressively, utilize stimulus funding, and get the jobs awarded and so forth.

The problem we are suffering from is that we would sure love to see more it of. Overall, our program at Pima County, our regulated program has a value of $720 million. Much of this is a regulated program. Much of this is to increase the treatment of effluent that we discharge to the Santa Cruz River, similar to New Mexico. And this is a very, very expensive program.

And to date, of the $720 million that is budgeted for this program, the ratepayers will have to pay for all of that in their rates, with the exception of the $2 million that we received from stimulus funding so far. So it is all locally funded.

And as you move into the future, how much more can ratepayers tolerate on a lot of this unfunded mandate type of regulations that we are having? So any type of stimulus funding, water trust fund, would be extremely helpful to us.

Mr. OBERSTAR. Thank you. Mayor Nunley, do you have some thoughts?

Mr. NUNLEY. I had some experience with Buy America issues and I am going to have to say that EPA did a marvelous job for me. We purchased some filters, there are only two manufacturers

of the type of filter that we had to try to make this limit work, and one was by Kubota and another was by G.E. Kubota is made in Japan and assembled in the U.S. And G.E. Is made in Canada. So a year and a half ago, we went out for bid to try to buy those things to beat inflation a little bit, and we used Kubota. And when Buy America popped up, we immediately got on our little horse and contacted EPA and got the proper paperwork submitted to get a waiver on that.

And I have to tell you that it only took about 6 weeks. They did a great job for us and it didn't slow us down one bit. So I appreciate that.

And I also appreciate the stimulus monies. And I think that my town is no different than most towns in America in the fact that our infrastructure is wearing out. We are using 50-year-old pipes to deliver water and sewer. And any help that the House can give us, any help that Congress can give us in the way of a stimulus package, whatever the name of it is, is something that is an investment in our future. And I think that investing in America is a good idea today.

Mr. OBERSTAR. Music to my ears and music to most of the Members of this Committee. I think Mr. Boozman would agree with that. Was that the membrane bioreactor filtration system?

Mr. NUNLEY. That is correct.

Mr. OBERSTAR. That is the one you are talking about. And you got a 6-week turnaround on that?

Mr. NUNLEY. Yes, sir, we did.

Mr. OBERSTAR. Mr. Gritzuk, you are here on behalf of NACWA and you caught got my attention with your reference to trust fund for water and wastewater treatment. When President Eisenhower vetoed the clean water—the Federal Water Pollution Control Amendments of 1960 after my predecessor, that gentleman in the corner portrait, John Blatnik, was the author of the first Federal Water Pollution Act of 1956. And there had been nothing before that. There was a small little kind of a research, but nothing significant. This was a first effort.

And as part of the FWPCA program, we had researched to understand the causes of pollution, what factors in the wastestream were causing plant growth and algae and so on. Second, grants to build sewerage treatment facilities, $30 million program of 30 percent Federal funds and an enforcement program that consisted of States getting together and talking about their pollution and deciding we should do something about it. That was totally ineffective. That was all you could get through.

I came back after 4 years of experience with the program and wanted to upgrade it and make it $50 million and 50 percent Federal funds, and President Eisenhower vetoed the bill with a veto statement that concluded pollution, quote, ″Pollution is a uniquely local blight. Federal involvement will only impede local efforts at cleanup,″ closed quote. I remember it very well. I memorized it. I wasn't on the staff at the time, but subsequently I was.

The person who wrote that veto message was Bryce Harlow. He later went to work for Procter & Gamble, a soap maker. Pollution is not a uniquely local blight. The water goes into streams that pass among many communities, among many States. Federal in-

volvement is necessary to have a national program, national treasure, and a national resource. And we established an authorization level, and there was a will to fund these programs in the early going when soapsuds floated down the Ohio and Illinois Rivers, when people turned on their faucets and soapsuds instead of clean water came out, and when the Cuyahoga River caught on fire in 1969 and it was a national calamity.

But it seems that the will to fund has dissipated, and the idea of a trust fund is a very appealing idea. What is the revenue stream for it? How do you get a dedicated source of revenue to sustain the funding year to year? Do you model it after the Superfund program, as we did with going back to the generators of the toxic substances that go—the chemicals that go into the products that wind up in our landfills? Or what other sources do you find? I expect—I don't expect you to be exhaustive in responding to the question, but I raise the issue because you intrigued my attention.

Mr. GRITZUK. Okay. The primary driving force for a trust fund is basically have those people pay for the benefits that they get out of clean water and wastewater disposal, and also for a fund like this to be revenue-neutral. And maybe more so, it will model the highway Trust Fund.

So, several examples. Beverage producers who need clean water for their product, perhaps add a penny to a bottle of soda or a can of soda. And products that are disposed down the sewer, add a couple of pennies to what you dispose of. Individuals call it a tax. I don't think that is a proper term. I really do think it is a minimal fee on the benefit that the individuals get from clean water and environmental control.

Mr. OBERSTAR. It is a fee for use of a system.

Mayor Nunley, do you have some thoughts about this? You are on the firing line there at the community level.

Mr. NUNLEY. Yes, sir. We have—we don't call it a trust fund, but we have established a wastewater fee to help pay for the plan. And it started out at $35 a month for our customers, and it was pretty burdensome when you add water and trash pickup and all that on there. But we have—I have convinced the legislature last term that it would be beneficial for them to pass and grant us to have a half percent gross receipts tax that was dedicated to water, wastewater. They did that. And that knocked that fee down to about $10. So that is more than we need to pay for the plant. But the $10 is going to go into a trust fund or savings account, so when the time comes for us to update our plan in 2015, We will have some money in the bank to do it.

Mr. OBERSTAR. So you think that that approach is an attractive way of creating a dedicated revenue stream on which future—which can fund the future investment needs?

Mr. NUNLEY. That is our plan.

Mr. OBERSTAR. Secretary Hanger, what do you think about this idea?

Mr. HANGER. Well, it is an attractive idea and, as you are wrestling with, there is no free lunch. Somebody has got to pay to create the fund. And I personally would believe that a small fee, either on existing water and sewer bills or perhaps some other way

to generate a trust fund that would then address these problems. It would be a tremendous return on investment.

And I think the key is really convincing the American people, at least people in Pennsylvania, that the money is dedicated for this purpose, and making sure that they see tangible results and get tangible results for the dedication. Unfortunately, there is a fair amount of skepticism about whether folks get a return on investment. And I think you have to address that very directly.

Every community has to have a sewer system. Every community has to have a water system. Every community, I think, has actually a majority of citizens that understand that we have deferred investment in this area too long. And maybe the current economic problems of the country caused a little bit of reflection and sort of a return to some basics in a number of different ways. And there is nothing more basic than this.

So perhaps this is the time to say a small fee, leveraged across the country, put into a trust fund, with a real commitment to excellence in distributing the money and overseeing the money, like both of you gentlemen are doing here today, maybe we could get that done. It would be a great thing for the future of the country.

Mr. OBERSTAR. Thank you very much. I think if it were left to Mr. Boozman and me, we would get it done probably in an afternoon. But we would get it done.

Before I hand the mike over to Mr. Boozman, I just want to observe that there are a lot of other needs of this country that can be deferred. We can delay this. We can delay the other thing. But water, water is essential to life itself. Of all the water, of all the million cubic miles of water on the face of the Earth, 3 percent is fresh water. Two-thirds of that is locked up in the ice caps. That is 1 percent—less than 1 percent fresh water is available in surface water. There is some left in the Ogallala Aquifer. There is some left in the Jordan Aquifer under the Twin Cities from the last glacier of 15,000 years ago. But that is being drawn out. That is being withdrawn. When that is out, that 15,000-year-old water is gone; it will never be replenished. That is all we have. We cannot poison it and hand this onto the next generation.

Mr. Boozman, take whatever time you——

Mr. BOOZMAN. Oh, no. Thank you, Mr. Chairman. I have enjoyed the discussion, and the other thing is I really do want to compliment you. I think the Transportation Committee can be very proud not only in the area of water resources, but our roads. All of the things that we have oversight, that through your leadership we really are exercising the oversight.

We are talking about a lot of money at stake and with the Transportation Committee doing its very best to make sure that that is spent wisely is certainly a very, very good thing. And I think that we really have been the lead and probably are the model Committee in that regard. So I appreciate your leadership very, very much in that regard.

As I was listening to the user fees, taxes, trust fund, whatever you want to call it, and there are different—there are differences somewhat in some of those things, and I am not going to argue that. One of my concerns, though, is that I see as I sit here—and I have really enjoyed this Committee, I have been on it since I have

been in Congress and now the Ranking Member. But I see a lot of uniform—I am sorry—a lack of uniformity in how we administer the requirements in different areas.

I sit here and I hear of areas that are out of compliance 90 days out of the year and this and that. Not a lot seems to be happening to them.

You, Mayor Nunley, have the strictest requirement of anybody in the Nation. And I can't believe that there aren't other areas that are every bit as bad as you. In fact, I can't believe there are a lot of areas that are worse. But somehow you have gotten on that list.

And so my concern is until—and the IG was in the other day and testified to that effect— my concern is until we get some uniformity and get that straightened out, that as we create these trust funds, all we are going to do is have the ability for EPA or whoever to rachet down the requirements even more, and you are going to be behind the gun again. You are still going to—we are going to be spending more time than ever.

So I really do think we need to make sure that as we make these decisions that truly are tremendous unfunded mandates that really impact populations, impact growth, impact the economy, that we do that; that we make sure that we are doing that in a uniform way, and that we make sure that we have got good science behind that.

So I just have one question for you, Ms. Darcy, and then we can adjourn. And this is just kind of something that we have been concerned about now for quite a while. The Congress has received two Army Corps of Engineers Chief Reports in 3 years. Are stimulus funds being used to complete the Chief reports? Can we expect any at the end of 2009? Can we expect any during 2010?

Ms. DARCY. I know that we currently have some Chief reports in the works, and some that are on their way to my office for my signature before the end of this fiscal year— this calendar year, excuse me.

Mr. BOOZMAN. Okay. So we will go ahead and submit that in writing and then maybe you can visit and give us some numbers.

Ms. DARCY. I will sir.

Mr. BOOZMAN. Okay. Thank you very much. And I again I thank you, the panel, for you being here. This has been a very, very good hearing and we appreciate your being here. Thank you, Mr. Chairman.

Mr. OBERSTAR. At the request of the gentleman from Arkansas, it will be submitted to the Committee and included in the Committee record at this point and available to all Members.

[The information follows:]

INSERT: PAGE 104

The following Chief's Reports either have a signed Chief's Report (and are under review in the Office of the Assistant Secretary of the Army (Civil Works) or are expected to have a signed Chief's Report by the end of 2010:

1. West Onslow Beach and New River Inlet (Topsail Beach), North Carolina, signed by Chief of Engineers on September 28, 2009.
2. Mid-Chesapeake Bay Island, Maryland, signed by Chief of Engineers on August 24, 2009.
3. Topeka, Kansas, signed by Chief of Engineers on August 24, 2009.
4. CERP – Caloosahatchee River (C-43) Est Basin Storage Reservoir Project, Florida, not yet signed by Chief of Engineers.
5. CERP Western C-11 Spreader Canal, Florida, not yet signed by Chief of Engineers.
6. Sabine-Neches Waterway, Texas, not yet signed by Chief of Engineers.

Mr. OBERSTAR. We appreciate your participating. Secretary Hanger, think further about this idea of trust fund and how it would be set up, how it would be funded—Mayor Nunley, Mr. Gritzuk.

We are going to be confronting this—we have had a hearing on financing of modern wastewater treatment systems this summer. We will have an additional hearing on the current idea of an infrastructure bank of some sort or Infrastructure Trust Fund. So give us your ideas on revenue source, sustainable revenue stream, the distribution of those dollars, how you—what kind of formula you could establish to ensure the equitable distribution of those dollars as we do the Highway Trust Fund, the Aviation Trust Fund, the Inland Waterways Trust Fund. There aren't very many others. We used to have a lot of them. They have all gone their way.

But there is an urgency and a sense of urgency, of need, to address the problems of clean water, but also an awareness that we don't have available general revenue dollars to sustain these programs, and a rising call from cities, counties, State agencies to develop this revenue stream.

So help us with your thoughts. We will include them as we prepare for a future hearing on this subject.

And secretary Darcy, we thank you for your contribution. Ms. Gelb from EPA, keep working and keep in mind there are people—you are all employed, we are all employed—there are people out there who aren't. Our job is to do two things at once: improve our environment, but create jobs for people.

Mr. OBERSTAR. The Subcommittee is adjourned.

[Whereupon, at 1:12 p.m., the Subcommittee was adjourned.]

OPENING STATEMENT OF
THE HONORABLE RUSS CARNAHAN (MO-03)
HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE
WATER RESOURCES AND ENVIRONMENT SUBCOMMITTEE

Hearing on
Recovery Act: Progress Report on Water Resources Infrastructure Investment

Wednesday, November 4, 2009
2167 Rayburn House Office Building

Chairwoman Johnson and Ranking Member Boozman, thank you for holding this hearing on the progress made by the Environmental Protection Agency and the U.S. Army Corps of Engineers, sates and their local partners in implementing water resources funding included in the American Recovery and Reinvestment Act.

Working within the tight timeframes established by the Recovery Act, it is great to see the EPA and the Corps, states, and their local partners working closely together to deliver water resources infrastructure projects that create much needed jobs in the construction sector. It is important to point out that this investment has lead to a fall in the unemployment rate in the construction sector by more than four percent since passage. Not only has this investment created much needed jobs, it is also addressing our long-term infrastructure investment needs.

In keeping with the timeframes set out in the Recovery Act, the EPA has committed nearly $4.6 billion for Recovery Act projects, ninety-eight percent of the funding allocated to the EPA. Specifically, the EPA has awarded $3.98 billion for the Clean Water State Revolving Fund in capitalization grants to States. This is almost one-hundred percent of the total. This much needed funding allocated to state to construct, rehabilitate and modernize our aging wastewater infrastructure.

While the EPA should be applauded for ensuring Recovery Act funds are used quickly and effectively, it is critical the EPA continue to facilitate greater expenditures of Clean Water SRF funds by the states. As the February 17, 2010 deadline for awarding contracts or proceeding to construction is approaching, the EPA and states must work to ensure they meet this deadline.

In closing, I would like to thank our witnesses for joining us today and I look forward to hearing their testimony.

STATEMENT OF
THE HONORABLE EDDIE BERNICE JOHNSON, CHAIRWOMAN
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
HEARING ON "RECOVERY ACT: PROGRESS REPORT ON
WATER RESOURCES INFRASTRUCTURE INVESTMENT"
NOVEMBER 4, 2009

Eddie Bernice Johnson

Good morning.

Today's hearing will focus on implementing the American Recovery and Reinvestment Act of 2009. More specifically, we will review how water-related infrastructure investments have already succeeded in placing workers back on the job all across the nation.

We will also emphasize how Federal agencies, States, and their local partners can do more to ensure that these funds are used quickly, efficiently, and in harmony with the job creating purposes of the Recovery Act.

Successful implementation of this legislation is essential to our collective efforts to turn our economy around, and create good, well-paying jobs here in America.

Today, we will hear from Federal, State, and local officials charged with the implementation of Recovery Act programs that utilize water infrastructure-related funding.

I am particularly pleased that will be hearing today from the newly confirmed Assistant Secretary of the Army for Civil Works, Ms. Jo-Ellen Darcy. Ms. Darcy has a long history of working with this Committee, as a staffer on both the Senate Finance Committee and Senate Environment and Public Works Committee. Ms. Darcy was also integral to efforts by the other body to move several Water Resources Development Acts through the process over the years.

Ms. Darcy, congratulations on your confirmation and I look forward to continuing to work with you.

I am happy to report today that of the $4 billion provided by the Recovery Act for the Clean Water State Revolving Fund programs, the Environmental Protection Agency has awarded $3.98 billion in capitalization grants to States.

This represents nearly 100 percent of the total available funds. These important funds are allocated to individual States to construct, rehabilitate, and modernize our nation's wastewater infrastructure.

Further, I would also like to report that, as of September 30, 2009, a total of 873 Clean Water SRF projects in 43 States have been put out to bid, totaling $1.8 billion. That is 48 percent of the total available funds for Clean Water SRF projects.

Of these 873 projects that have been put out to bid, 530 Clean Water SRF projects in 40 States are already under contract. Work has begun on 394 projects in 36 States, totaling $872 million.

Monitoring the amount associated with projects out to bid, under contract, and underway helps us measure the Recovery Act's progress.

Unfortunately, critics of the Recovery Act focus exclusively on the amount of outlays of Federal funds. This approach does not provide a good sense of Recovery Act progress because infrastructure projects primarily operate on a reimbursement mode.

For instance, States seek reimbursement for wastewater infrastructure projects only after construction is underway. Since Federal outlays may come months after jobs are actually created and construction has begun, outlays are a lagging indicator of Recovery Act progress.

While the numbers are promising, I encourage EPA to continue to take a greater role in facilitating further expenditures of Clean Water SRF funds by the individual States.

I also would like to hear about the steps EPA and individual States are taking to ensure that all States meet the February 17, 2010 deadline for awarding contracts or proceeding to construction on their Clean Water SRF projects.

EPA has achieved greater success at implementing the Superfund program, a comprehensive initiative to cleanup the nation's hazardous waste sites. Of the $600 million provided for the Superfund program, EPA has provided $573 million to existing contracts for 56 projects in 28 States. That's 96 percent of the total funds for Superfund cleanup.

Finally, of the $100 million provided for the Brownfields program, EPA has awarded grants or provided funds for existing grants or contracts worth $79 million for 176 Brownfields projects in 39 States. This represents 79 percent of the total funds for Brownfields.

The Recovery Act also provided $4.6 billion to the Corps of Engineers. As of September 30, 2009, the Corps has begun work on 731 Recovery Act projects all across the country, totaling over $2.2 billion. This represents nearly 50 percent of the total amount of funds allocated to the Corps.

My assumption is that all of the members of this Committee want the Recovery Act to succeed. Every member of this Committee should want the infrastructure investment made by this Act to improve the economy, to help create and sustain good paying jobs, and to begin the long-forgotten need to invest in our nation's infrastructure.

I see hopeful signs in today's testimony, but I remind all our witnesses that more must be done to ensure these funds have their intended effect.

I now yield to my Ranking Republican member, Mr. Boozman, for any statement that he may have.

Statement of Rep. Harry Mitchell
House Transportation and Infrastructure Committee
Subcommittee on Water Resources and Environment
11/4/09

--Thank you Madam Chair.

--Today we are reviewing the American Recovery and Reinvestment Act's implementation of projects administered by the U.S. Army Corps of Engineers (Corps) and the Environmental Protection Agency (EPA).

--Among the Corps projects receiving funding is the Va Shly'ay Akimel, along approx 14 miles of the Salt River on the Salt River Pima-Maricopa Indian Community between Granite Reef Dam and Price Drive Bridge.

--I look forward to hearing from our witnesses today about the progress that has been made, as well as the work that lies ahead.

STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
HEARING ON "RECOVERY ACT: PROGRESS REPORT ON WATER RESOURCES INFRASTRUCTURE INVESTMENT"
NOVEMBER 4, 2009

The transportation and infrastructure investments of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (Recovery Act), have already played a key role in putting Americans back to work. Federal agencies, States, and their local partners have demonstrated they can deliver transportation and infrastructure projects and create urgently needed employment in the tight timeframes set forth in the Recovery Act.

I am pleased to report that, as of September 30, 2009, 67 percent of highway and transit formula funds have been put to bid – that's $22.8 billion for 9,104 projects. Fifty-three percent of highway and transit formula funds are under contract, totaling $18.2 billion for 7,594 projects. Forty-six percent of these funds are associated with 6,700 projects underway all across the nation, totaling $15.9 billion.

We have also seen progress in putting to work Recovery Act funds for Clean Water State Revolving Fund (SRF) projects. States and their local partners have put out to bid 48 percent of the total available formula funds, have signed contracts worth

30 percent of these funds, and work is underway on projects associated with 23 percent of these funds.

Monitoring the percentage of allocated funds associated with projects out to bid, under contract, and underway helps us measure the Recovery Act's progress. Critics of the Recovery Act focus exclusively on the amount of outlays of Federal funds. This approach does not provide a good sense of Recovery Act progress because these projects primarily operate on a reimbursement mode. For example, States seek reimbursement for Clean Water SRF projects after construction is underway. Federal outlays, therefore, come months after jobs are created and necessary infrastructure projects have begun. Knowing how many funds are associated with projects out to bid, under contract, and underway better captures the extent to which Recovery Act funds have arrived on Main Street.

Against this backdrop, I commend Chairwoman Johnson for scheduling this oversight hearing to hear from Federal, State, and local officials who are implementing programs receiving water resources infrastructure funding under the Recovery Act.

To provide additional insight into what progress has been made to date, I would like to share the results of the vigorous oversight that the Committee has

conducted. Just ten days after the Recovery Act was signed into law, the Committee requested transparency and accountability information directly from States, metropolitan planning organizations (MPOs), and public transit agencies, on their use of transportation and environmental infrastructure formula funds. Those recipients have reported regularly to the Committee.

The Recovery Act provided $4 billion for Clean Water SRF projects. According to the most recent submissions received by the Committee, as of September 30, 2009, a total of 873 Clean Water SRF projects in 43 States have been put out to bid, totaling $1.8 billion. That's 48 percent of the total available formula funds for Clean Water SRF projects.

Of these 873 projects that have been put out to bid, 530 Clean Water SRF projects in 40 States are already under contract. These projects under contract total $1.1 billion.

Work has begun on 394 projects in 36 States, totaling $872 million.

While I am encouraged by these numbers, the Environmental Protection Agency (EPA) and their State partners must do more to ensure the quick and efficient use of these funds.

The Committee also requested that all Federal agencies implementing programs that receive Recovery Act funds under the Committee's jurisdiction provide a table of specific Recovery Act projects. As of October 16, 2009, Federal agencies under the Committee's jurisdiction have announced 13,313 transportation and non-transportation projects totaling $42.5 billion, representing 66 percent of the total available funds. Funds have been committed for 12,866 projects totaling $36.4 billion, representing 57 percent of the total available funds.

Of the $4.7 billion in funding provided to EPA under the Recovery Act, EPA has committed $4.6 billion for the Clean Water SRF, Superfund cleanup, and Brownfields program. This represents 98 percent of the total available funds.

Of the $4.6 billion in funding provided to the Corps under the Recovery Act, the Corps has committed $2.3 billion for 744 projects. This represents nearly 50 percent of the total available funds.

This transparency and accountability information speaks for itself: Federal agencies, States, and their local partners are putting Americans back to work in family-wage, construction jobs all across the nation.

We have also seen bids for infrastructure projects coming in much lower than expected. This bid savings has allowed Federal agencies, States, and local communities to stretch Recovery Act funds even further, resulting in more projects, and in turn putting even more Americans to work.

Throughout development of the Recovery Act, I emphasized the importance of transparency and accountability and ensured that the transportation and infrastructure provisions would be subject to the most rigorous transparency and accountability requirements of the Act. I am pleased that the Obama Administration adopted many of these ideas, not just for transportation, but for all programs funded under the Act.

I also promised that the Committee would vigorously oversee implementation of the Recovery Act. The Committee will continue to require periodic direct reporting to the Committee by recipients of transportation and infrastructure funds under the Recovery Act as well as Federal agencies implementing Recovery Act programs under the Committee's jurisdiction, to ensure that the funds are invested quickly, efficiently, and in harmony with the job-creating purposes of the Act. In addition, the Committee will continue to hold public hearings to examine the successes and challenges under the Act.

While much work remains, I am pleased with the progress that has been made since enactment of the Recovery Act. I look forward to hearing the testimony of today's witnesses and discussing what is being done to ensure that Recovery Act funds will continue to create good, family-wage jobs as quickly as possible, while at the same time improving our deteriorating infrastructure and laying the foundation for future economic growth.

DEPARTMENT OF THE ARMY

COMPLETE STATEMENT

THE HONORABLE JO-ELLEN DARCY

ASSISTANT SECRETARY OF THE ARMY

(CIVIL WORKS)

BEFORE

SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

UNITED STATES HOUSE OF REPRESENTATIVES

ON

Recovery Act:

Progress Report on Water Infrastructure Investment

November 4, 2009

Madam Chairwoman and distinguished members of the Subcommittee, I am Jo-Ellen Darcy, Assistant Secretary of the Army (Civil Works). Thank you for the opportunity to testify before the Subcommittee today to discuss the Army's implementation of the Civil Works appropriation within the American Recovery and Reinvestment Act of 2009 (Recovery Act) .

OVERVIEW

The Recovery Act provides funds to meet the intent of the President and Congress to quickly put our fellow citizens to work and to help in the recovery of the Nation's economy. The accomplishment of Corps of Engineers Civil Works projects through Recovery Act funding has begun to contribute to the Nation's safety, economy, environment, and quality of life. The Act provides funding to: Preserve and create jobs and promote recovery; assist those most impacted by the recession; provide investment needed to increase economic efficiency by spurring technological advance in science and health; invest in transportation, environmental protection, and other infrastructure that will provide long term economic benefits; and stabilize State and local government budgets.

The Recovery Act provides funding to the Corps to accomplish these goals through the development and restoration of the Nation's water and related resources. There is also funding to support permitting activities for protection of the Nation's regulated waters and wetlands and cleanup of sites contaminated as a result of the Nation's early efforts to develop atomic weapons.

Total discretionary funding for Civil Works in the Recovery Act is $4.6 billion and is provided in six accounts. Within the total program, $2.075 billion is for activities funded in the Operation and Maintenance account. The Recovery Act also provides $2 billion in the Construction account; $375 million in the Mississippi River and Tributaries account; $25 million in the Investigations account; $25 million in the Regulatory account; and $100 million in the Formerly Utilized Sites Remedial Action Program account.

The Corps is following the Recovery Act's general principle to manage and expend funds to achieve the Act's stated purposes, including commencing expenditures and activities as quickly as possible consistent with prudent management, and consistent with the President's direction provided in the Executive Memorandum of March 20, 2009 – Ensuring Responsible Spending of Recovery Act Funds. In that Memorandum, the President directed agencies to be sure that Recovery Act funds are spent responsibly and transparently and that projects are selected on merit-based principles.

Additional project selection criteria suggested in the Joint Explanatory Statement accompanying the Act states that projects, programs or activities (PPAs) accomplished with Recovery Act dollars will:

- Be obligated/executed quickly;
- Result in high, immediate employment;
- Have little schedule risk;
- Be executed by contract or direct hire of temporary labor; and
- Complete a project phase, a project, an element, or will provide a useful service that does not require additional funding.

Also as stipulated in the Recovery Act, no funds will be allocated for any PPA that, at the time of the allocation, had not previously received funds in Acts making appropriations available for Energy and Water Development. In other words, no new starts can receive Recovery Act funds.

Other statutory language includes:

- Recovery Act funds are not to be cost-shared with the Inland Waterways Trust Fund
- Not less than $200 million for environmental infrastructure (wastewater treatment and municipal and industrial water supply treatment and distribution)

- Section 902 of the Water Resources Development Act of 1986, as amended (establishing a maximum authorized cost for a project and prohibiting expenditures in excess of this limit), does not apply in Fiscal Year 2009
- All unobligated funds (except for Engineering and Design (E&D), Supervision and Administration (S&A) and claims for Recovery Act-funded work) expire September 30, 2010.

STATUS OF RECOVERY ACT EXECUTION FOR CIVIL WORKS

Nearly all of the $4.6 billion appropriated for Civil Works has been identified for specific Civil Works projects and activities, and, as of September 30, 2009, financial obligations totaled $2.2 billion, of which $2 billion was for contracts and the balance was for temporary hired labor and administration and oversight of contracts. As of that date, outlays totaled $328 million. This work was all accomplished between May and September.

There are 731 Civil Works projects underway across 49 states and also in both Puerto Rico and Washington, DC. Eight projects have been completed to date, including, the navigation channel for the Oakland Harbor Deepening Project, CA. Fifty Project Partnership Agreements have been executed around the country under the reimbursable environmental infrastructure program for a total cost of $66.3 million.

During this same period, 2,753 contract actions were awarded, of which 2,058 or 75 percent were awarded to small businesses. Of the $2 billion in contracts awarded, 48 percent of the total dollar value was awarded to small businesses. In addition, larger companies receiving Civil Works contracts are encouraged to hire local small business as their sub-contractors.

The Civil Works investments funded with Recovery Act funds were selected, in part, to produce long-term benefits, to achieve most of work through contracting, and to award the contracts in a short period of time. This approach maximizes private sector employment impacts. Stimulus effects begin with contract award, as that is when the

contractor begins to hire workers, order materials and equipment, and take other steps to complete the work, creating ripples through the economy. As a result, stimulus impacts are more closely related to obligation of Recovery Act funds, primarily through contract awards, rather than the subsequent outlays, which provide payments to contractors for work they already have completed or for supplies and equipment they already have purchased.

Overall, the investment of Civil Works Recovery Act funds will directly support approximately 50,000 jobs (though job impacts vary depending on the type of work). In addition to the direct job support, these investments will support numerous indirect jobs in industries supplying material and equipment. Finally, additional jobs will be supported as the direct and indirect income generates increased consumer spending.

Just recently, I spoke at the opening of a Recovery Act funded project: the Corps' first Veterans Curation Project laboratory, in Augusta, Georgia. The Augusta site is the first of three Veterans Curation Project laboratories that the Corps will open with $3.5 million in Recovery Act funding. The other two sites – to be located in Washington, D.C., and St. Louis, Missouri -- will be operating before the end of fiscal year 2010. The three sites were selected because they are home to high populations of wounded and returning veterans. The labs are an innovative approach to supporting returning and disabled veterans of all branches of military service with jobs and training in a variety of technical skills. At the same time, the labs will advance the curation of archeological and historic properties that have come into the Corps' possession over the years, as a result of construction at its water project sites around the country. Veterans working at the three labs will be trained in computer, photographic, and scanning technologies that will be applied to the rehabilitation of Corps archeological collections and their associated records. The technical skills learned at the labs also will be transferrable to potential future jobs outside the labs, improving job opportunities for the veterans who work in the labs.

CONCLUSION

At $4.6 billion, the Recovery Act provides resources for the Civil Works program to pursue investments that will create and preserve jobs and yield good returns for the Nation in the future.

Thank you, Madam Chairwoman and Members of the Subcommittee, for this opportunity to testify on the Recovery Act program for the U.S. Army Corps of Engineers Civil Works Program.

TESTIMONY OF
CRAIG HOOKS

ASSISTANT ADMINISTRATOR,
OFFICE OF ADMINISTRATION AND RESOURCES MANAGEMENT
U.S. ENVIRONMENTAL PROTECTION AGENCY

BEFORE THE
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE,
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
UNITED STATES HOUSE OF REPRESENTATIVES

November 4, 2009

Chairwoman Johnson, Ranking Member Boozman, and Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the progress and accomplishments that the U.S. Environmental Protection Agency (EPA) has made in the implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act).

Background

The Recovery Act provided $7.22 billion for specific programs administered by EPA: the Clean Water State Revolving Fund (CWSRF), the Drinking Water State Revolving Fund (DWSRF), Superfund, Brownfields, Underground Storage Tanks, and the Clean Diesel Programs. The majority of these funds, totaling $4.7 billion, are specified for programs under the jurisdiction of this subcommittee: the Clean Water State Revolving Fund ($4 billion), Superfund ($600 million), and Brownfields ($100 million). The programs targeted by EPA's portion of Recovery Act funding address location-specific, community-based public health and

environmental needs. Investing in these areas ensures that job creation, economic growth, and beneficial environmental results occur at the local level.

I am pleased to report that since appearing before the Transportation and Infrastructure Committee in July to discuss EPA's implementation of the Recovery Act, EPA has made great progress in distributing funding and in providing support and assistance to recipients, who are now working on Recovery Act funded projects. EPA has obligated more than $7.1 billion (over 99 percent) of the $7.22 billion dollars made available to EPA thus far. Of this figure, nearly $6 billion has been obligated through the Clean Water and Drinking Water State Revolving Funds, more than $570 million through the Superfund program, more than $290 million for the Clean Diesel Program, more than $190 million for the Leaking Underground Storage Tank Program, and more than $85 million for the Brownfields Program.

As I will discuss, Recovery Act work is underway across the country, and we are already starting to realize these benefits.

Oversight and Assistance

I serve as the Agency's Senior Accountable Official. In this role, I am responsible for meeting the Recovery Act's requirements for oversight, results, and unprecedented transparency. As I discussed at the Transportation and Infrastructure Committee hearing in July, I lead a Stimulus Steering Committee comprised of senior managers from across the Agency to monitor Recovery Act implementation on a weekly basis. At these weekly meetings, EPA senior management discusses implementation issues and identifies solutions to these challenges. I am

pleased to report that this Steering Committee has been successful in navigating a number of critical issues, including providing guidance on Davis-Bacon and Buy American Acts requirements.

EPA has taken steps to ensure that accountability and transparency objectives are met throughout the implementation of the Recovery Act. The majority of Recovery Act funds appropriated to the Agency were for grants where statute and formulas direct funding to States (such as the State Revolving Funds). As funds were distributed, EPA offices ensured that internal financial and management processes expedited the flow of Recovery Act funds to qualified grant recipients and contractors. Where EPA had discretion, EPA gave funding preference to recipients with a demonstrated or clear potential ability to produce desired programmatic results, and for projects that could be started and completed expeditiously, would stimulate economic growth, and would achieve long-term public benefits. Transparency is achieved through regular reporting to the Agency's Recovery Web site, the government wide Recovery site, and the Agency's Intranet Recovery Web site. As EPA works with funding recipients, we continue to focus on accountability and transparency in all of our projects.

In addition to ensuring appropriate oversight and accountability, EPA has been proactive in providing assistance to states in Recovery Act implementation. For example, in September, Administrator Jackson sent a letter to all state governors expressing her commitment to assist and partner with states to achieve the goals of the Act. She offered EPA's assistance in facilitating the expenditure of funds.

Personally, I have reached out to states to offer guidance and assistance in implementing the Recovery Act. Last month, I met with representatives from the National Governors Association to listen to their concerns about the challenges they face in accomplishing the goals of the Recovery Act. I also sent an email to Recovery Act leads in each state regarding the funding requirements associated with Drinking Water and Clean Water State Revolving Funds. In these emails, I reminded states of the February 17, 2010 statutory deadline requiring that the funds be under contract or construction, as well as the steps that need to be taken to fulfill this requirement. The email also offered assistance from EPA in answering their questions or overcoming any issues, in order to ensure that states are able to meet the deadline.

Lastly, I have concern about the ability of some states to meet the February 17, 2010 deadline. I placed personal calls to officials in several states that appear to be facing challenges in meeting the deadline. During these calls, I explained the process for meeting this requirement and listened to their concerns. In addition, I provided guidance and offered additional assistance to each state. EPA is working diligently to assist states in meeting the deadline, in order to avoid having to reallocate funds.

At this point, I would like to acknowledge all of the hard work that states have done since the passage of the Recovery Act. They have navigated through complex requirements and have been instrumental in its implementation. I look forward to continuing this partnership between EPA and states to accomplish the vital goals of the Act.

Recovery Act Recipient Reporting

Recovery Act recipient reporting, which began in October 2009, requires recipients of ARRA resources to report information on funded projects and activities. The information submitted helps define each project and progress made. Reported information includes who is receiving ARRA dollars and in what amounts, what projects are being funded, the completion status of projects, and the impact the projects have on job creation and retention.

As envisioned by the Act, recipient reporting through FederalReporting.gov with public access through Recovery.gov ensures the goals of transparency and accountability are met. This is achieved by public posting of quarterly reported information to the federal Recovery.gov site.

Each agency and department must review data reported by funding recipients. To carry out its review responsibilities, EPA has implemented an internal agency process, which includes an initial informal review of information followed by a more detailed review when the Recovery Board makes all recipient reporting information available to us. As discrepancies or missing data are identified, we work with recipients to rectify these issues.

I would now like to provide some additional insight on our progress in implementing the Recovery Act and highlight some of the successes we have achieved in the three months since I appeared before the Transportation and Infrastructure Committee.

Clean Water State Revolving Fund

As the nation's largest water quality financing program, the Clean Water State Revolving Fund supports the overarching goal of protecting aquatic systems throughout the country, including lakes, rivers, coastal water, and wetlands. Since 1987, the Clean Water SRF has provided more than $68 billion through more than 22,000 individual loans. Projects include wastewater treatment, nonpoint source pollution control, and watershed and estuary management.

The Recovery Act provided the Clean Water SRF with $4 billion to help states finance high priority infrastructure projects needed to ensure clean water. To date, EPA has awarded more than $3.9 billion in Recovery Act funds to all 51 state Clean Water SRF programs across the nation (including Puerto Rico). As of today, nearly 20 percent, or $800 million of the funds appropriated for the Clean Water SRF are under contract, an increase of approximately 20 percent in the last four weeks. As EPA works with our state and local partners to use these Recovery Act dollars in the most effective way, we strive to focus on the basic principles of pollution prevention and sustainability. We can build infrastructure that minimizes the environmental footprint we leave for future generations and leverage these investments to maximize environmental progress.

The Recovery Act places new and challenging requirements on the SRF programs. The Buy American provision of ARRA has been especially challenging. The Recovery Act requires that, with limited exceptions and consistent with U.S. international obligations, funded projects

use only iron, steel, and manufactured goods produced in the United States. This requirement particularly affects SRF programs. In order to assist our state partners and other funding recipients, EPA developed implementation guidance and created a waiver process for when exceptions are needed. Consistent with the Recovery Act directives to ensure expeditious SRF construction, EPA has issued, to date, three national public interest waivers for projects that were initially financed or had bids solicited on or after October 1, 2008 and prior to the passage of the Act, and for *de minimus* incidental project components. To date, the Agency has issued 23 project specific waivers because US made products meeting project specifications justified by local conditions and requirements were not available or not available in sufficient quantities. EPA expects additional project specific waiver requests in the coming months and continues to closely monitor its implementation through weekly workgroup calls and project specific on-site compliance reviews.

Another challenge has been the requirement that the states allocate 20 percent of their SRF dollars to promote the implementation of green infrastructure projects. To date, 14 states have awarded 20 percent or more of their Recovery Act funds for green infrastructure projects, totaling more than $355 million. Based on what we have heard from states, we anticipate that the rest of the states will, by February 17, 2010, also meet the 20 percent requirement for green infrastructure projects. These types of projects support the development of a green workforce and can provide long-term benefits that exceed those associated with traditional environmental infrastructure projects. Although meeting this requirement has been difficult for some states, they have found innovative solutions to meet the objective.

Congress intended Recovery Act funds to boost infrastructure improvements, job growth, and environmental and public health protection. The Recovery Act specifically requires for the Clean Water SRF program that all funds be under contract or construction by February 17, 2010. EPA has been providing extensive assistance to states in meeting this deadline, and the Agency continues to work collaboratively with states. The state of Minnesota provides an excellent example of how hard the states have been working to meet this deadline. Minnesota's Public Facilities Authority and Pollution Control Agency (Clean Water State Revolving Fund) and the Department of Health (Drinking Water State Revolving Fund) worked aggressively and today have 88% of their available Clean Water State Revolving funds under contract for construction, equal to over $70 million. Construction has begun on 18 different projects around the state. This work not only will provide significant improvements to Minnesota's water infrastructure, but also provides jobs for its citizens.

EPA recently implemented an innovative reporting pilot in cooperation with the Office of Management and Budget and State SRF programs. As part of the pilot, states use the Clean Water and Drinking Water SRF Benefits Reporting Systems (CBR and PBR respectively) to collect project level data elements in order to measure the environmental benefits associated with Recovery Act funded SRF projects. States have the option of entering required information into either of the two systems. This option immediately provides states with a single Recovery Act data entry mechanism to improve data quality and consistency of reported information. The reporting pilot provides EPA the necessary information to manage the SRF programs and provide timely insight into recipients' responsiveness to the overall Recovery Act reporting process. This system has been working smoothly, with most States opting to use the internal EPA reporting systems. Using the output of the CBR and PBR, all States were able to seamlessly transfer data from the EPA systems to FederalReporting.gov. This pilot represents another example of how EPA is working with states to

minimize their reporting burden, while at the same time providing critical information used in the oversight of the Recovery Act implementation.

EPA has also been working directly with State SRF programs to ensure that funds are being placed into contracts at the local level. Workshops were held in numerous States to guide communities and their contractors through the new requirements of the program. EPA staff are actively involved in reviewing every State program and have already visited 49 of the programs to assess individual project status. Additionally, EPA contract support has been made available to States, in order to directly assist communities in need.

Brownfields

Brownfields cooperative agreements facilitate the leveraging of economic investment and the creation and retention of jobs while helping to prevent, assess, safely clean up, and sustainably reuse Brownfields. Since 1995, grantees report leveraging more than $13.3 billion in federal, state, local, and private sector cleanup and redevelopment resources; leveraged more than 57,100 jobs; and supported assessments at more than 14,400 properties.

The Recovery Act provides $100 million for Brownfields projects. EPA Regional offices have awarded Recovery Act funded cooperative agreements for the Assessment, Cleanup and Revolving Loan Fund (RLF) projects to high ranking applicants that scored well on criteria related to Recovery Act objectives such as a commitment to environmental sustainability principles, project readiness, and job creation. In addition, EPA is using Recovery Act funds for Brownfields Job Training grants, for supplemental funding to existing RLF recipients, and to conduct targeted assessments of brownfields sites. Through continued federal, state, tribal, and

local partnership, the Brownfields Recovery Act funds are being used to allow problem properties to become productive assets in communities across the country.

Brownfields projects funded by the Recovery Act are already seeing success. For example, EPA awarded $1.8 million in Recovery Act RLF supplemental funds to the California Department of Toxic Substances Control RLF Coalition, who then issued a $1.675 million low-interest loan to Martin Building Company to clean up contaminated property in the San Francisco Bay Area. Redevelopment plans include apartments, retail shops, a day care center, and a park. This project brings jobs to the Bay Area.

Superfund

The EPA Superfund program protects citizens from the dangers posed by abandoned or uncontrolled hazardous waste sites. In addition to cleaning up the remaining sites on the National Priorities List (NPL), the program is focused on ensuring that these sites are ready to be returned to beneficial use by the community, putting both people and property back to work.

Cleanup activities at Superfund sites receiving Recovery Act funds not only protect human health and the environment, but also yield significant economic benefits, including improved site property values and job opportunities. Superfund sites are often located in the areas hardest hit by unemployment and downturns in the economy. EPA anticipates that the Recovery Act funding for the Superfund remedial program will leverage jobs in communities across the country while also increasing demand for construction materials such as steel and concrete. As of October 1, 2009, EPA has obligated $573 million or 98.5 percent of its

Recovery Act Superfund construction funding. We remain on track to obligate 100 percent of the funds and expend 70 percent of those funds by September 30, 2010.

I am happy to report that EPA has already made progress at a number of Superfund sites using Recovery Act funding. At the Iron Mountain Mine site in Redding, California, Superfund Recovery Act funds are being used to accelerate the dredging, treatment and disposal of heavy-metal contaminated sediment located in the Spring Creek Arm of the Keswick Reservoir. Construction of the sediment dewatering and disposal cell is underway, and two pump stations have been installed. The Recovery Act funds will reduce long-term costs and accelerate project construction with project completion in 18 months, instead of the original schedule of three years. The funding of this project has created new construction jobs.

At the Welsbach/General Gas Mantle site in New Jersey, EPA's Recovery Act funded work began in June 2009. To date, more than 8,000 tons of radiologically contaminated soils have been excavated using Recovery Act dollars. The cleanup of the site will serve as a catalyst for redevelopment of the area.

In addition, the Recovery Act funded work at the New Bedford Harbor site in Massachusetts started in June 2009, and EPA has since dredged approximately 25,000 cubic yards of contaminated sediments. The Recovery Act funds at this site are accelerating an ongoing cleanup, which will help facilitate the City's plans to develop shoreline public access, recreational boating, competitive rowing, and wetland restoration in the upper and lower harbor areas.

Conclusion

Since I appeared at the full committee hearing in July, EPA has made progress and had significant accomplishments in its implementation of the Recovery Act. Due to the hard work of EPA and our funding recipient partners, we are already seeing benefits from Recovery Act funding in the form of jobs and improved public health and environmental protection. We continue to assist our state partners and other recipients to fulfill the goals of the Recovery Act in an efficient and timely manner. EPA looks forward to continuing to work with this subcommittee, our federal, state, and tribal partners, and members of the public as we continue to provide oversight, accountability, and transparency in our implementation of the American Recovery and Reinvestment Act of 2009. Thank you again for inviting me to testify here today and I look forward to answering your questions.

NACWA
A Clear Commitment to America's Waters

Testimony of:

Michael Gritzuk

Director, Pima County Regional Wastewater Reclamation Department
Tucson, Arizona

Testifying on Behalf of the National Association of Clean Water Agencies (NACWA)

House Committee on Transportation and Infrastructure
November 4, 2009

Recovery Act: Progress Report on Water Resources Infrastructure Investment

Chairman Oberstar, Ranking Member Mica and Members of the Committee, thank you for the opportunity to appear before you today and for your leadership and commitment to providing increased water infrastructure funding through the *American Recovery and Reinvestment Act (ARRA)* and other legislative vehicles. My name is Mike Gritzuk, Director, Pima County Regional Wastewater Reclamation Department in Tucson, Arizona. It is a great privilege to be here to testify on the benefits to my utility and our community of the funding that Congress and the Administration provided by passing the *ARRA*. This funding has been critical to many wastewater infrastructure utilities, especially in the face of the trend toward declining federal funding support for public clean water utilities as well as the ongoing economic downturn that has impacted the revenue base of our agency and so many others across the country.

It is also my pleasure to be testifying on behalf of the National Association of Clean Water Agencies (NACWA). NACWA is the only organization whose primary mission is to advocate on behalf of the nation's publicly owned wastewater treatment works (POTWs) and the communities they serve. NACWA public agency members are the true environmentalists who are tasked with ensuring the Nation's waters are clean and safe and who work around the clock to fulfill the strict requirements of the Clean Water Act. NACWA's members collectively treat approximately 80% of the nation's residential, business and industrial wastewater flow. In this capacity, NACWA has provided a trusted voice, helping inform and guide Congressional action on numerous water quality issues, including the need for a stronger federal role in funding our nation's aging water infrastructure.

I would like to begin my remarks by thanking Chairman Oberstar and the Committee for their efforts and leadership in ensuring that the stimulus bill contained approximately $6 billion for the state revolving loan funds (SRFs) – $4 billion for the Clean Water State Revolving Loan Fund (CWSRF) and $2 billion for the Drinking Water State Revolving Loan Fund (DWSRF).

As this Committee knows very well, according to the U.S. Environmental Protection Agency (EPA), the Congressional Budget Office (CBO), and the Government Accountability Office (GAO) the nation's wastewater and water infrastructure faces a daunting funding gap of approximately $500 billion over the next 20 years. When discussions regarding a stimulus package started, NACWA was asked by this Committee to provide information regarding the shovel-readiness of clean water projects. In line with this request, NACWA performed a survey of its members, demonstrating that the nation's POTWs had approximately $17 billion in shovel-ready projects that would stimulate the economy and improve the nation's environment and water quality. The needs clearly were enormous and NACWA, along with other key stakeholders in the water sector, worked vigorously to support this Committee's efforts to include clean water funding as a major component of the *ARRA*.

The need for funding was further underscored by the impacts to utilities from the most severe economic downturn since the Great Depression – impacts that are still resounding at my utility and utilities across the country. From a national perspective, the financial crisis continues to significantly affect the municipal bond market as investment in these mechanisms continues to be less attractive to the public and private sector. In addition, the ongoing drop in residential and commercial construction spending continues to translate into decreased revenues from water and sewer hookups while cutbacks in production and an increase in unemployment continue to result in

decreased water use and effluent discharged from factories, office parks and homes – a primary source of income for wastewater utilities. The combination of these factors, and others, created – and continue to create – a difficult budget scenario for wastewater utilities, delaying investment in capital projects and sometimes making these investments impossible.

Given these challenges, the funding from the *ARRA* that the Pima County Regional Wastewater Reclamation Department received has been very helpful.

ARRA funding strongly supported our Plant Interconnect Project – a key component of our Regional Optimization Master Plan which is primarily regulatory driven. This project, being pursued with *ARRA* funds, connects the Department's two major water reclamation facilities for optimal utilization of treatment plant capacity, and, as a result, meets the wastewater growth needs in Pima County through 2030. This is no small accomplishment taking into account the fact that Pima County has grown by more than 50 percent since 1990.

Funding provided by *ARRA* made it possible to move forward more expeditiously with this project that includes constructing five miles of large diameter interceptor sewer line between the two treatment facilities.

This project will greatly increase operation flexibility and capacity management and is estimated to have significant impacts on the local economy while significantly improving Pima County's wastewater infrastructure. In fact, the combination of the $8 million in low interest loans and $2 million in principal forgiveness provided by the *ARRA* will result in savings of over $3.2 million in financing costs over the 15 year term of the loan and will supplement an additional $33.1 million in funding that is expected to create approximately 170-200 jobs over the life of the project. Indeed, the additional subsidization/grant component of the stimulus bill – and grant funding more generally – constitutes sound national policy because it does not require local governments to assume new debt as part of a federal program to stimulate the national economy. The stimulus funding is a welcome benefit in Pima County where we are experiencing a general unemployment rate of approximately 8.2 percent and an unemployment rate of nearly 17 percent in the construction sector. In fact, a recent analysis by the Bureau of Labor Statistics found more construction jobs were lost in Phoenix, Arizona (35,100) than in any other city in the United States over the past year, making Arizona one of the hardest hit states in this sector.

ARRA monies enabled us to move forward with a critical project that not only met the needs of a growing region, but also provided much-needed employment at a critical time. While critics might point out that our project likely would have been completed over time without stimulus funding – which is true – immediate funding contributed to the benefit of increased employment for one of the hardest hit unemployment areas of the nation. In addition, the *ARRA* funding is helping provide the opportunity to Pima County to put municipal dollars that it saved toward other capital and water quality projects that would have been otherwise delayed, adding additional economic and environmental benefits to our communities.

While debate will continue nationally over the benefits of the stimulus bill, in Arizona we welcomed stimulus funding for the needs it addressed, the employment it continues to bring and the relief it provided to many workers who faced the stark reality of sudden and extended unemployment.

While Pima County's experience with the *ARRA* has been positive, from a national perspective there are concerns and lessons learned that could be improved should another similar effort be needed in the future. NACWA believes that all communities should have access to *ARRA* funds and that, to the extent there may be future stimulus or infrastructure funding efforts, funds be distributed based significantly on the need to create jobs and put shovels in the ground. While states are doing everything they can to get the money out, it is critical that their efforts to distribute funds be guided and focus heavily on "job creation" and "shovel readiness," rather than on their pre-existing priority criteria or single indicators such as affordability and median household income. While there is no targeting requirement in the statutory provisions of the *ARRA*, some states did rely on language favoring affordability criteria contained in the conference report to prioritize their funding of wastewater projects.

NACWA believes that the primary reliance on such a formula is too narrow and resulted in communities with larger populations being left behind in comparison to their rural and suburban counterparts. Often, it is these larger urban areas that are the most affected by such a downturn in the economy, have the ability to start shovel-ready projects, and create jobs most efficiently.

Overall, however, there is little doubt that the clean water investments provided by the *ARRA* were a good first step in reversing the years of declining federal investment in our nation's municipal clean water needs. As Congress, and this Committee, continue to discuss efforts to revive our national economy we urge you to consider additional investment in our clean water infrastructure. To the extent additional stimulus efforts become necessary, NACWA further recommends that a greater portion of such legislation's funding be directed toward our wastewater infrastructure given the clear benefit it provides to our communities, environment, and economy.

As NACWA has testified before this Committee previously, a sustainable mechanism to provide federal funding for our ailing water infrastructure is critically needed. To accomplish this, the time is now to move forward with a clean water trust fund that will provide stable, dedicated revenue sources that would be deficit-neutral and would further help leverage local and state dollars for wastewater and water infrastructure projects. *The Water Protection and Reinvestment Act* (H.R. 3202) is a good starting point for this Committee's consideration of such a trust fund mechanism— and we look forward to working with this Committee on such an approach over the coming months to address our critical water infrastructure needs in a responsible and sustainable way.

I thank this Committee for its leadership in seeking to ensure that our critical water infrastructure is a key component to federal economic recovery efforts and for the opportunity to testify today. I look forward to any questions Members of the Committee may have regarding my comments.

Testimony of
John Hanger, Secretary
Pennsylvania Department of Environmental Protection
on Recovery Act: Progress Report on Water Resources Investment
before the U.S. House of Representatives Committee on Transportation and Infrastructure
Subcommittee on Water Resources and Environment
Washington, D.C.
Wednesday, November 4, 2009

Good morning Chairwoman Johnson and members of the committee. I appreciate the opportunity to appear before you today to provide testimony about the tremendous economic and environmental impact that the American Recovery and Reinvestment Act (ARRA) funds are having on our communities and the measurable return on investment that federal and Pennsylvania taxpayers will realize from these vital water and wastewater infrastructure improvements.

The national recession began in December 2007 but threatened to become a depression following the Lehman bankruptcy on September 15, 2008. Within weeks of the Lehman bankruptcy, Pennsylvania, the nation, and the world economy saw a calamitous decline in demand for goods and services. For example, one iconic Pennsylvania company, USX, saw demand for its product fall swiftly and precipitously. From the summer of 2008 to December 2008, USX went from operating at 100 percent to 40 percent of its capacity. As the world's economy froze, oil plummeted from $147 in July 2008 to $33 in December 2008, a silver lining that paradoxically revealed just how threatening the economic environment truly was. Demand for cars in the U.S. fell like a stone, falling by the end of 2008 to below 10 million cars per year.

Pennsylvania has been buffeted by these economic storms and our unemployment rate has risen to 8.8 percent which is a full point below the national unemployment rate. Pennsylvania has lost about 200,000 jobs, and many more Pennsylvanians have lost hours of work or benefits. A lot of Pennsylvanians are hurting and suffering through no fault of their own.

As a partial response to this circumstance, the ARRA has cut taxes, provided needed additional safety net payments, and has provided money for projects such as water and wastewater projects. Pennsylvania like virtually every state has a substantial backlog of water and wastewater projects that need funding. Our infrastructure is aging and needs repair.

Investing in water and sewer infrastructure creates so many wins that it is hard to count them all. Water and sewer investment puts people to work right now in manufacturing materials like concrete and steel. Water and sewer investment requires engineering and other professional services. Water and sewer investment requires construction work. Water and sewer investment creates facilities that then must be operated 24 hours a day, seven days per week, and 365 days per year.

Beyond the work associated with water and sewer projects, water and sewer investment also protects our environment and public health. It positions our communities for the future investment as few things destroy economic competitiveness more than poor infrastructure. Also few things are more unattractive than raw sewage entering rivers, streams, lakes, and seashores. Polluted communities are economically uncompetitive. Clean communities are economically competitive.

Water and sewer investment is fundamentally an investment in the future as this infrastructure will be operating 40 years from now or long after the current economic crisis ends. This investment is creating a valuable asset for our children and grandchildren.

ARRA specifically has provided $220 million to Pennsylvania for drinking water and wastewater infrastructure improvement projects that will help create more than 5,500 jobs throughout the commonwealth. In addition, in July 2008, the Pennsylvania General Assembly provided $800 million and the Pennsylvania voters authorized in November 2008 another $400 million for drinking water and wastewater projects and the. When you combine the commonwealth's ARRA funds, the dollars provided by state taxpayers, and the state's nearly $60 million annual share from the federal Clean Water and Drinking Water State Revolving Loan Fund, more than $1.4 billion in grants and low-interest loans have been made available to communities across the commonwealth for urgently needed repairs to water and sewer infrastructure systems. This investment is more than four times Pennsylvania's normal annual investment and will stop a great deal of raw sewage from entering our waters for decades to come, helping to improve our economy and putting Pennsylvanian's back to work now.

Using its share of ARRA funding and other state sources, Pennsylvania has awarded funding for nearly 170 projects since April including:

- $38.4 million for seven projects to eliminate direct discharges of raw sewage to our streams;

- $34.3 million for seven projects to eliminate 1216 malfunctioning on-lot systems including a community in Adams County in the south-central region of the state that received a $5.1 million loan to construct a new wastewater treatment plant and install more than a mile of new collection sewer lines to eliminate concerns with malfunctioning on-lot septic systems and meet nitrogen discharge limits.

- $179 million for 17 projects to eliminate or reduce combined sewer overflows including a $11.5 million loan to install seven miles of new sewage collection lines to eliminate a combined sewer system that overloads during wet weather and discharges untreated sewage into the Susquehanna River.

- $105 million for 17 projects to reduce nutrients and sediment to the Chesapeake Bay like the $5.9 million grant awarded in Huntingdon County to install improvements to the wastewater treatment plant that will reduce both nitrogen

and phosphorous discharges in compliance with the Chesapeake Bay agreement; and

- $162 million for 40 drinking water system projects to address compliance issues like a $3.8 million loan awarded in Bedford County in northern Pennsylvania to install more than 12 miles of new waterlines and two pressure-reducing stations to provide drinking water to residents using private wells that have low yields and are also subject to contamination by local malfunctioning septic systems.

ARRA also required that 20 percent of the ARRA funds be dedicated to green infrastructure projects. This requirement will guarantee that new water and wastewater infrastructure projects are designed and built to conserve water whenever possible, are energy efficient and promote cost-effective non-structural practices for stormwater management. A few examples of these projects include:

- A $30 million loan to Philadelphia City for a variety of innovative, "green infrastructure" solutions to storm water management in various parts of the city that will reduce discharges of raw sewage from the sanitary sewer system and reduce contaminated storm water runoff into the Delaware and Schuylkill Rivers;

- A $85,600 grant to the Factoryville Borough in the northeast part of the state to install a green parking lot at a joint municipal park, reducing the potential contamination of the south branch of the Tunkhannock Creek, classified as an Exceptional Value stream; and

- A $460,673 grant to York township in southcentral Pennsylvania to use innovative methods in the design and construction of Stump Park that will minimize storm water runoff by constructing two pervious parking lots, several bioretention rain gardens and site-wide tree planting.

To date, 62 green infrastructure projects have been announced and will:

- Save approximately 15 million Kilowatt hours per year through more energy efficient measures at our water and wastewater treatment facilities. This translates into a $1.5 million savings in these communities' energy bills annually. One such project, in Harrisburg will make improvements to its treatment facility and will include upgrades focusing on asset management, reusable energy and improving efficiency. The funding will replace dewatering equipment and grit removal equipment that has reached the end of its useful life; reduce the amount of potable water consumed at the Resource Recovery Facility; remove discarded equipment that contains asbestos and takes up needed space; replace/rehabilitate components of the Authority's Alternative Energy System; and ensure the chlorine contact tanks achieve proper disinfection when water level in the Susquehanna River is elevated.

- Save approximately 1.5 million gallons of water per year through water conservation measures, thus cutting the costs for treatment of drinking water supplies including the Pleasantville Borough drinking water project that received a $215,417 loan and a $1.5 million grant to construct a new 250,000 gallon water storage tank and upgrade an existing pump station to improve water service and fire protection;

- Achieve a reduction of 1.3 million pounds of nitrogen, four million pounds of phosphorus and 1,055 tons of sediment per year discharged to our streams and lakes. Another 36 million pounds of carbon emissions per year will also be eliminated. For example, a project in southeastern area of the state received a $618,485 grant to retrofit a conventional storm water basin into a constructed wetland to reduce the runoff of sediment and phosphorous into a designated impaired water body;

- Plant more than 29 miles of forested buffers, 15,640 trees and restore another 80 acres of wetlands. A forestry council received a $300,000 grant to plant 1,000 trees in 13 communities in the county in order to reduce storm water runoff during wet weather that currently contaminates local waterways;

- Promote the effective re-use of over 100 million gallons of wastewater per year like in Allegheny County where a $1.6 million grant was awarded to construct three irrigation ponds to collect, store and recycle 2.5 million gallons of storm water runoff that will be used to irrigate a botanic garden reducing demand on the local drinking water supplier; and

- Eliminate 51.5 million gallons of storm water flow and flooding through the infiltration of this storm water with non-structural best management practices.

ARRA funds have enhanced our short term ability to address a number of serious water quality and public health problems in our state. Specifically, I am referencing the 50 percent set-aside requirement for these funds to be given out in the form of "principal forgiveness" or "grants." This allows Pennsylvania to provide the necessary funding to four low-income communities to address their drinking water problems and eleven low-income communities to address their wastewater treatment problems.

Pennsylvania has been able to achieve a level of success with the ARRA dollars because of the existing flexibility and institutional framework of the Clean Water and Drinking Water State Revolving Loan Fund Program. Each state is different. Proposed language establishing the elements of a project priority ranking system in statute will eliminate the states' ability to tailor their programs to their needs and their unique situation.
Please allow states to have flexibility as the re-authorization of the Clean Water Act finished.

In closing, ARRA came at a time when Pennsylvania was facing the worst economic situation since the Great Depression. During the next 20 years, it is estimated that

Pennsylvania faces a capital need of $36.5 billion for its water and wastewater infrastructure. In addition to the capital needs, an estimated $77.1 billion is needed to fund the operation and maintenance of those facilities for the next 20 years. The daunting size of these figures is due, in part, to years of deferred maintenance and capital upgrades on Pennsylvania's water infrastructure.

By pooling our resources from Pennsylvania's Clean Water and Drinking Water State Revolving Loan Funds, state sources and the funding made available by from federal stimulus programs, we have increased the amount of money available for repairs and upgrades to the state's failing sewer and wastewater treatment systems. These crucial dollars will help ratepayers in struggling communities better manage the costs for improved water services, while reducing pollution and creating new jobs for Pennsylvania's citizens. I would like to thank you madam chairwoman and the members of the committee for your time and diligent attention to our nation's serious water and wastewater infrastructure problems.

Village of Ruidoso

October 30, 2009

Subcommittee on Water Resources and Environment
Committee on Transportation and Infrastructure
B-376 Rayburn House Office Building
Washington, DC 20515

RE: Village of Ruidoso/City of Ruidoso Downs Regional Wastewater Treatment Plant

Dear Ladies and Gentlemen:

On the behalf of the citizens of the Village of Ruidoso and the City of Ruidoso Downs, I would like to thank you and your colleagues in the U.S. House and the U.S. Senate for your assistance in securing approximately $6.6 million from the American Recovery and Reinvestment Act (ARRA) for the construction of our new Regional Wastewater Treatment Plant. This issue of building this facility has dominated our lives in the Upper Honda Valley for a number of years and I would like to say that we are now under construction. The following is a short discussion of this project and the challenges we faced in dealing with the issue.

Project Description and Schedule:

The project is intended to replace an existing regional wastewater treatment plant with a new facility that meets all of the requirements of our very stringent EPA NPDES permit. This facility currently provides services to the Village of Ruidoso, the City of Ruidoso Downs, and the Mescalero Apache Reservation. The current wastewater treatment plant is approximately 30 years old and has a limited capacity of only 0.54 MGD. The proposed new plant will have a capacity of 2.5 MGD in Phase 1, and an ultimate processing capacity of 3.75 MGD in Phase II. Phase 1 is scheduled thru 2015 and Phase II through 2030. More importantly, the new plant will have the capacity to meet EPA standards of 0.1 Mg/L for phosphorous and 1.0 Mg/L for nitrogen. We are not aware of any other local government, State, or Federal jurisdiction that has both of these standards included in their NPDES Permit. The plant is being built to these capacities in order to meet the nutrient requirements of the NPDES Permit, as well as being able to provide sewer service to the significant numbers of tourists and part-time residents that visit during the summer months and other holiday times.

As a result of two law suits, the Village is required to finish construction by December, 2010. The first phase (Phase 1A) is the sludge handling facility and was completed by October, 2009. Phase 1B is the filtration part of the treatment facility and is also under construction.

P.O. Drawer 69 · Ruidoso, NM 88345 · (505) 258-4343 · FAX (505) 258-3017

Honorable Senator Jeff Bingaman
Honorable Representative Harold Teague
RE: Village of Ruidoso/City of Ruidoso Downs Regional Wastewater Treatment Plant

October 30, 2009

Funding:

The total cost of the project will be $36 million. This cost is being born by a total population of approximately 10,000 permanent residents that can increase to over 35,000 people on specific holidays and weekends. In order to meet this very significant funding requirement to build the facility, the Village and the City needed to rely on a number of funding sources.

The first major funding source was obtaining a series of grants from both the EPA and State of New Mexico appropriations totaling around $8.5 million for both communities. The second funding sources has been General Obligation bonds in the amount of $12.6 million for Ruidoso and $500,000 for Ruidoso Downs. As a result, the total bonding capacity of each jurisdictions has now been completely utilized. The third funding source has been loans obtained thru the USDA in the amount of $8.7 million for Ruidoso, and $1 million for Ruidoso Downs. The final component has been the $6.6 million allocated thru the ARRA program. (See Attachment)

In order to repay these bonds and loans, the residents of the Village of Ruidoso have added a "wastewater fee" that is dedicated to repayment. These fees are financially very significant and represents approximately a 34% increase for a typical residential water and sewer bill. Given the general state of the economy, these additional fees are a burden on many of our residents.

Unforeseen Problems and Opportunities:

This project included a number of issues which needed to be addressed in order for the project to be to be commenced. The first issue was the completion of the actual design. The project initially was designed to address phosphorous, and only when the design was approximately half way thru to complete, did the design have to be further modified to address the new nitrogen standard.

Other issues included having to purchase a large portion of the site from the US Forest Service. This action was unanticipated but completed successfully and within the construction timeline needed with the full cooperation and assistance of the Lincoln National Forest part of the US Forest Service.

While there were unforeseen problems, the project has created potential opportunities that may provide long-term solutions to water availability in this part of the Hondo Valley, namely, water reuse. In this type of program, effluent is intercepted along the

Honorable Senator Jeff Bingaman
Honorable Representative Harold Teague
RE: Village of Ruidoso/City of Ruidoso Downs Regional Wastewater Treatment Plant

October 30, 2009

Main Interceptor Line via scalping plant(s), the solids are then sent to the Regional Wastewater Treatment Plant, and the treated grey water directed to a series of potential users and uses, including recharge of the Grindstone and Alto Reservoirs, aquifer recharge, and irrigation of golf course and other public open spaces. This type of system will allow the Village to use the same gallon of water multiple times versus the single use paradigm in place now.

This type of strategy also helps to minimize the impact of the current and any future NPDES Permit by reducing the amount of effluent being piped into the Rio Ruidoso. Limiting outflows into the Rio Ruidoso will make it easier to comply with those discharge standards. Eliminating all flow would eliminate any need for a NPDES Permit altogether in the future.

Conclusions:

We, the Village of Ruidoso and the City of Ruidoso Downs, would like to let the membership of the US House of Representatives and the US Senate know how much the residents of the Valley appreciate their assistance and support thru the funding provided by the ARRA program. We also want to tell the membership that the residents here appreciate the value of water and its conservation, and that we are working diligently to maximize the sustainability of its value to our communities. If anyone has any additional comments or question, please feel free to contact me at your earliest convenience at (505) 258-4343. Again, thank you.

Respectfully,

Lonnie R. Nunley, Mayor
Village of Ruidoso, New Mexico

CC: Honorable Senator Jeff Bingaman
Honorable Representative Harold Teague
Members of the Ruidoso Village Council
Debi Lee, Village Manager, Ruidoso
File

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Funding Information Regional Wastewater Treatment Plant:

Entity:	Source:	Amount:	Date Obtained:
Village	General Obligation Bond	$12,600,000	2007
of	USDA Loan	$8,755,000	2009
Ruidoso	New Mexico Environment Dept. Loan	$100,000	2009
	New Mexico Environment Dept. Grant (ARRA)	$3,300,000	2009
City of	General Obligation Bond	$500,000	2007
Ruidoso	USDA Loan	$1,000,000	2009
Downs	New Mexico Environment Dept. Loan	$100,000	2009
	New Mexico Environment Dept. Grant (ARRA)	$2,900,000	2009

Grants:

State of New Mexico Special Appropriations Totalling:	$5,028,000	2003 - 09
Federal Grants (EPA)	$3,248,209	1996 - 97

Statement of C.W. "Bill" Ruth
United States Commissioner

International Boundary and Water Commission
United States and Mexico

Before the Committee on Transportation and Infrastructure
U.S. House of Representatives
November 4, 2009

Chairman Oberstar, Ranking Member Mica, and Members of the Committee, thank you for the opportunity to update you on the progress made by the U.S. Section of the International Boundary and Water Commission (USIBWC) toward implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act). We have made significant progress since submitting our previous testimony presented for the Committee's July 31 hearing.

The Recovery Act appropriated $220 million to USIBWC's construction account for the Rio Grande Flood Control project to fund immediate infrastructure upgrades along 506 miles of flood control levees maintained by the USIBWC along the Upper and Lower Rio Grande. Of that amount, up to $2 million may be transferred to our salaries and expenses account in support of this activity and we project that a total of $1 million will be expended for salaries and expenses toward Recovery Act implementation through September 2010.

The Recovery Act funding will allow rehabilitation of over 200 miles of deficient levees, including Rio Grande levees and levees in the interior floodways in the Lower Rio Grande Flood Control Project. Since bids have been received under government estimates, the USIBWC will be able to undertake more miles of levee rehabilitation with Recovery Act funding than originally anticipated. This work will be done in Dona Ana County, New Mexico and El Paso, Hudspeth, Hidalgo, and Cameron Counties, Texas. In doing so, we will enhance the protection of lives and property of over two million border residents and bring our levee system into compliance with standards established by the Federal Emergency Management Agency (FEMA) for a 100-year flood event. Reducing the risk of flooding along the Upper and Lower Rio Grande by rehabilitating deficient portions of these levee systems will provide increased safety to border residents and to business communities and encourage future economic growth and development.

At the close of Fiscal Year 2009, we had obligated $44.4 million in construction funding and anticipate obligating additional construction funds in the amount of $148 million between October and the end of this calendar year. We expect to obligate $24.5 million in the second quarter of FY 2010 the remaining balance of $2.5 million in construction funds in the third quarter of 2010, thereby expending all of the Recovery Act funding appropriated to our construction account ahead of the September 30, 2010 deadline.

We awarded our first construction contract in the amount of $951,000 on July 24, 2009 for repair work along three miles of the Banker Floodway North Levee in Hidalgo County, Texas. We anticipate that construction on this segment will be completed by February 2010. The contract was awarded in accordance with a federal program targeting qualified small businesses located in distressed areas. On August 31 we awarded a $19 million contract to construct levee improvements along a 43-mile reach of the Main Floodway in Hidalgo Country, Texas. The project will provide enhanced flood protection for the communities of McAllen, Hidalgo, Pharr, San Juan, Alamo, Donna, and Weslaco, Texas. On October 19, we awarded a contract in the amount of $21 million to construct 48 miles of levee improvements along the North Floodway and Arroyo Colorado in Hidalgo and Cameron Counties, Texas. The work will provide enhanced flood protection for the communities of Weslaco, Mercedes, La Villa, and La Feria. We expect to continue to award construction contracts through the remainder of this year and plan to have all construction contracts for levee improvements in the Lower Rio Grande Valley awarded by the end of December 2009, except for one segment that we anticipate awarding in April 2010. Several construction contracts will be awarded for levee rehabilitation in the Upper Rio Grande Valley during the first three months of 2010. All planned construction to be undertaken with Recovery Act funding is expected to be completed by April 2011.

As noted in my previous testimony, USIBWC's progress is being reported weekly on the Recovery web site, www.Recovery.gov, and on the Department of State Recovery web site, www.state.gov/recovery. Additional details on the scope of our project and our project schedule can be located at http://www.ibwc.state.gov/Recovery/Index.html. All contracting actions are being posted on http://www.fedbizops.com and are being reported in the Federal Procurement Data System (FPDS). We are also providing data to this Committee on a monthly basis.

USIBWC continues to be proud of the progress we have made to date and pleased to be contributing to this important effort to bring about economic recovery, while at the same time providing long-term public benefits and infrastructure improvements to the U.S.-Mexico border.

United States Department of Agriculture

NRCS

Natural Resources Conservation Service
Office of the Chief – Legislative Affairs Division
1400 Independence Avenue, S.W.
Washington, D.C. 20250
(202) 720-2771

STATEMENT OF DAVE WHITE, CHIEF
NATURAL RESOURCES CONSERVATION SERVICE
U.S. DEPARTMENT OF AGRICULTURE
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
October 30, 2009

Mr. Chairman, thank you for the opportunity to provide a progress report on the status of the **American Recovery and Reinvestment Act of 2009 (Recovery Act)** funding administered by USDA's Natural Resources Conservation Service (NRCS). USDA's goal through the Recovery Act is to quickly respond to current economic conditions by preserving and creating high quality jobs, spurring rural economic activity, and contributing to the Nation's overall financial health. USDA will be open, transparent, responsive, and accountable to the American people as we deliver Recovery Act funding.

The Recovery Act provided funding for three NRCS programs:

Watershed Rehabilitation Program	$ 50,000,000
Watershed and Flood Prevention Operations Program	$145,000,000
Floodplain Easements - Emergency Watershed Protection Program	$145,000,000

We have made significant strides toward committing funds for these programs and toward the Administration's objectives of economic recovery and job creation. Projects have already been selected for the Watershed and Flood Prevention Operations Program, the Watershed Rehabilitation Program and the Floodplain Easements Program

The NRCS programs funded through the Recovery Act will provide significant public and environmental benefits through the restoration of floodplains and investments in watershed improvements, including critical infrastructure. These benefits include reduced threats and damage from flooding; floodplains restored to natural conditions; erosion control; improved water quality; enhanced fish and wildlife habitat; and improved quality of life through expanded recreational opportunities and added community green space. Moreover, watershed rehabilitation projects will mitigate the risks of failure and threats to public safety posed by aging flood control infrastructure.

Following is a brief overview of the three NRCS programs that received Recovery Act funding.

Watershed Rehabilitation Program

Recovery Act Funding: $50,000,000

The objective of the Watershed Rehabilitation Program is to rehabilitate or decommission aging or unsafe dams owned and operated by sponsors that are ready and willing to begin rehabilitation. The authority for rehabilitation of aging watershed dams is included in section 14 of the Watershed Protection and Flood Prevention Act (P.L. 83-566). Any of the over 11,000 dams in 47 States that were constructed under the Flood Control Act of 1944 (P.L.78-534), P.L.83-566, or the Resource Conservation and Development (RC&D) program are eligible for assistance under this authority. Many of these dams are beyond or are nearing the end of their design life. Rehabilitation of these dams is needed to address critical public health and safety issues in these communities. Priority for funding projects was based on a ranking system that considered the condition of the dam and the number of people at risk, if the dam should fail. NRCS may provide financial assistance up to 65 percent of the total rehabilitation project cost.

Twenty-six projects in 11 States have been selected for Recovery Act funding. NRCS State offices are working to obligate these funds as quickly as possible. These "shovel ready" projects will help revitalize rural economies by creating jobs and supporting local businesses that supply products and services needed for construction. These projects will not only ensure that the flood control dams remain safe and protect lives, but will also continue to provide flood control, recreation, and wildlife habitat for decades to come. Here are a few examples of Watershed Rehabilitation Recovery Act projects.

$4.3 million in Recovery Act funding for projects along Pohick Creek in Fairfax, Virginia will result in the rehabilitation of two flood control structures. The dams will be upgraded to current safety standards and continue to provide protection for the nearly 112,000 vehicles that use four major roads downstream from the structure on a daily basis. The dams also provide protection to a number of railroad corridors with a daily average ridership of approximately 9,000 people. The local sponsor is providing $2.2 million for these projects.

Another $4.2 million in Recovery Act funding for a project in Adair County, Oklahoma will protect the water supply of the city of Stillwell, Oklahoma, as well as a rural water district. The local school district served by the project is 94 percent Native American and has a 21 percent poverty rate. The local sponsor is providing $2.1 million for this project.

At the end of this testimony is a list of 26 projects selected for Watershed Rehabilitation funding.

Watershed and Flood Prevention Operations Program (WFPO)

Recovery Act Funding: $145,000,000

This program provides assistance to sponsoring organizations of authorized watershed projects, planned and approved under the authority of the P.L. 83-566 and designated watersheds authorized by P.L. 78-534 The NRCS provides technical and financial assistance to States, local governments and Tribes (as project sponsors) to implement authorized watershed project plans for the purpose of watershed protection; flood mitigation; water quality improvements; soil erosion reduction; rural, municipal and industrial water supply; irrigation water management; sediment control; fish and wildlife enhancement; and wetlands and wetland function creation, restoration and protection.

Recovery Act funds will be obligated on WFPO projects for completion of permit mitigation obligations or structural repairs, or for land treatment through the application of conservation practices. Recovery Act funds will also be used for new construction projects that are already authorized, are environmentally beneficial, and have sponsors that are ready and willing to begin work.

Priority for funding projects was based on NRCS's merit-based model which will be used to identify and select the most cost-effective and highest priority projects to meet the objectives of the program.

USDA Secretary Tom Vilsack announced the selection of 80 projects under the Recovery Act. Here are a few examples WFPO projects selected for funding through the Recovery Act: Approximately $300,000 for the Whitewater River Watershed land treatment project northeast of Rochester, Minnesota. This project will protect the soil resource base for sustained productivity and improve both surface and ground water quality. The watershed contains eight designated trout streams extending over 100 miles, two State parks, State Wildlife Management Areas, and a State operated fish hatchery. Also in Minnesota, southwest of Minneapolis, the Kanaranzi-Little Rock Watershed project will provide assistance to local farmers to install conservation practices that will reduce soil erosion and improve water quality.

Over $10 million for the Neshaminy Creek Watershed project outside Philadelphia, Pennsylvania. This funding will be used to acquire, elevate and flood-protect 80 homes and businesses currently located in the 100-year floodplain. This project will improve public health and safety by substantially reducing flood damage and enhancing 18 miles of stream corridor and floodplain function.

$2.5 million for the Beaver Creek Watershed project in El Paso County, Colorado will be used to develop 45 land-treatment contracts with family-owned farms, resulting in significant water quality improvement, water conservation, and the enhancement of wildlife habitat. Benefits will be obtained by implementing improved management strategies and more efficient irrigation system components used on cropland and adjacent properties. A significant number of producers in this watershed are considered socially disadvantaged or limited resource producers.

Floodplain Easements - Emergency Watershed Protection Program (FPE-EWPP)

Recovery Act Funding: $145,000,000

Section 382 of the Federal Agriculture Improvement and Reform Act of 1996, P.L.104-127, amended the Emergency Watershed Protection Program (EWPP) to provide for the purchase of floodplain easements as an emergency measure. Since 1996, NRCS has purchased floodplain easements on lands that qualify for EWPP assistance. NRCS purchases easements on floodplain lands and restores them to natural conditions. Floodplain easements restore, protect, maintain, and enhance the functions of a floodplain; conserve natural values including fish and wildlife habitat, water quality, flood water retention, ground water recharge, and open space; reduce

long-term federal disaster assistance; and safeguard lives and property from floods, drought, and the products of erosion.

Floodplains that have had flooding events twice in the last 10 years or once in the last 12 months are eligible for the program. Easement applications are ranked based on established National and State priorities. Landowners retain several rights to the property, including quiet enjoyment, the right to control public access, and the right to undeveloped recreational use such as hunting and fishing. NRCS currently holds 1,917 floodplain easements on 126,467 acres nationwide.

NRCS announced a nationwide sign-up for Floodplain Easements Recovery Act funding on March 9, 2009. The deadline was extended until April 10th, due to flooding. North Dakota and Minnesota deadlines were extended until May 1st to allow additional time because of on-going flooding events.

Over 4,200 applications for floodplain easements were received from forty-seven States and Territories. States ranked their applications and then sent their ranking lists to National Headquarters. Applications were evaluated against merit-based ranking criteria and then funding recommendations were provided to the Chief. On June 2, 2009, Secretary Vilsack announced the selection of 288 applications for funding. These 288 applications cover more than 36,000 acres of land in 36 States. The Recovery Act specifies that no single State may receive more than $30 million.

Transparency and Accountability

Accountability and transparency are cornerstones of NRCS's Recovery Act efforts. NRCS has automated systems which will track the amount of financial and technical assistance allocated for approved projects and progress toward project implementation and outcomes. Recovery Act goals and objectives will be integrated into the performance standards for NRCS line officers.

In addition, the Office of Inspector General has already initiated an audit for oversight of NRCS Recovery Act activities. The objectives of the audit are to ensure:

1. The Department's stimulus-related programs are timely and effectively implemented.
2. Proper internal control procedures are established.
3. Program participants meet eligibility guidelines.
4. Participants properly comply with program requirements; and
5. Agencies establish effective compliance operations.

NRCS has already made great strides in communicating the results of our Recovery Act activities to the general public. USDA Secretary Vilsack held telephone press conferences with approximately forty journalists on two separate occasions to announce the funding for Watershed Rehabilitation and WFPO. NRCS employees have cooperated with members of Congress on Recovery Act events in their States and districts. Project-specific fact sheets for each NRCS Recovery Act project are posted to our website at www.nrcs.usda.gov/recovery.

Summary

NRCS has moved quickly to identify meritorious and environmentally beneficial projects to commit the $340 million in Recovery Act funding provided for Watershed Rehabilitation, WFPO, and Floodplain Easements. NRCS has obligated over $137.7 million as of September 30, 2009. NRCS understands that Congress and the public will hold the Federal government to the highest standard of accountability for Recovery Act funding. We are committed to expending these dollars in the most expeditious, transparent, and cost-conscious way possible.

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