

Congress of the United States

Washington, DC 20515

February 25, 2005

Copy

The Honorable Jim Nussle
House Budget Committee
309 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Nussle:

We are writing to request an increase in the federal budget for the Drinking Water and Clean Water State Revolving Funds (SRFs). At a time when our country's water infrastructure faces a serious need, we should be increasing, not decreasing federal assistance.

When the Clean Water Act was passed more than thirty years ago, the federal government made a commitment to the American people to clean up our country's lakes, rivers, and streams. The amendments to the Clean Water Act in 1987 and Safe Drinking Water Act in 1996 continued this commitment by setting up revolving loan funds to help communities assure clean water for human consumption, recreation, and wildlife habitat. While much has been accomplished, more is yet to be done. The burden on towns is increasing as sewer and drinking water systems deteriorate, urbanization generates increasing volumes of polluted runoff, and new drinking water treatment standards come into play. The full funding of these SRFs is an important step towards a longer-term solution to our water needs.

The SRFs have directly improved the environment and health of communities throughout the United States. The Clean Water SRF has granted more than 15,200 low interest loans totaling \$47.9 billion between 1988 and 2004. In addition, it created more than 400,000 jobs each year throughout the nation while providing other economic benefits for local communities. Similarly, the Drinking Water SRF, since its inception, has leveraged funds from other sources and provided low interest loans and grants that have assisted 3,800 drinking water system projects, totaling over \$6.3 billion dollars in federal funds from 1997 to 2004, but also prevented countless water-borne illnesses. Additionally, the Drinking Water SRF has created more than 37,000 jobs since it was started in 1997, or about 4700 jobs per year.

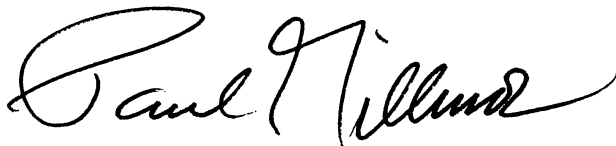
EPA's own analysis of financial needs shows there is a funding shortfall that is jeopardizing water infrastructure, public health, and the economy. Instead of increasing funding, the EPA budget actually calls for a sharp decrease in funding for the Clean Water SRF and only a slight increase for the Drinking Water SRF, which does not keep up with inflation. A greater investment in the Clean Water and Drinking Water SRFs is

needed to ensure continued improvement to our nation's water and wastewater delivery systems.

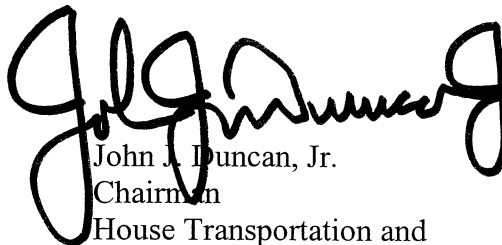
Experts estimate that each year, nearly 8 million Americans are sickened by waterborne illnesses. In addition, sewage pollution costs Americans billions of dollars every year in medical treatment, lost productivity and property damage. More funding to these SRFs could reduce the pollution that causes more beach closings, more contaminated shellfish beds, and more polluted drinking water supplies.

We all deserve water that is fishable, swimmable, and drinkable. We believe that Congress should continue to support funding for the Drinking Water SRF at its prior authorized level or above. The Clean Water SRF should also reflect our commitment to meeting our nation's needs by budgeting the program at past funding levels or more. Your support for additional financial commitments to these SRFs will not only protect public health now and in the future, but also serve to further stimulate the economy and create jobs. In this time of tighter Federal resources, we recognize you will be faced with making many tough funding decisions. Adequately funding the SRFs will guarantee that public health, the economy, and our environment are protected.

Sincerely,



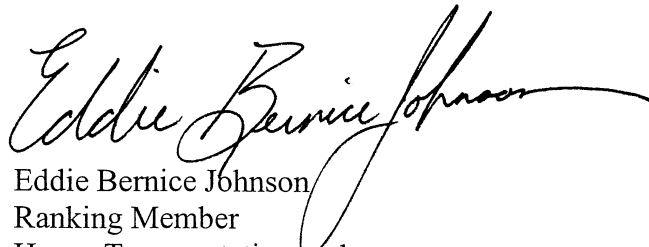
Paul E. Gillmor
Chairman
House Energy and Commerce Subcommittee
on Environment and Hazardous Materials



John J. Duncan, Jr.
Chairman
House Transportation and
Infrastructure Subcommittee on
Water Resources and Environment



Hilda L. Solis
Ranking Member
House Energy and Commerce Subcommittee
on Environment and Hazardous Materials



Eddie Bernice Johnson
Ranking Member
House Transportation and
Infrastructure Subcommittee on
Water Resources and Environment