

United States Senate

COMMITTEES:
ENVIRONMENT AND PUBLIC WORKS
FINANCE
FOREIGN RELATIONS
SMALL BUSINESS

COMMISSION ON SECURITY
AND COOPERATION IN EUROPE

February 3, 2016

Shaun Donovan, Director
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Donovan:

I would like to urge that a substantial increase in funding for the Drinking Water and Clean Water State Revolving Funds (SRFs) be provided in the FY 2017 President's budget. As you are aware, the U.S. is facing a serious and growing need for repairs to and replacements of its aging water and wastewater infrastructure. Meanwhile, state and local communities continue to face an array of competing resource demands that coincide with tight budgets as the economy is still recovering. This difficulty has been highlighted with the unfortunate situation that is occurring in Flint, MI, and plagues cities all over the country.

The SRFs provide vital, sustainable support for water and wastewater infrastructure upgrades in the form of low-cost loans and grants. As you know, Congress appropriated \$6 billion in funding for the SRFs as part of the American Recovery and Reinvestment Act (ARRA) of 2009. Since then, the President's budget and Congressional appropriations have funded the SRFs at significantly lower levels—declining to approximately one third of that last year. According to the EPA's most recent estimates, more than \$655 billion may be needed to repair and replace drinking water and wastewater infrastructure nationwide over the next 20 years. An increase to the SRFs would help address this shortfall and make vital sources of funding available to many communities that face water and wastewater issues similar to Flint due to their aging infrastructure. Also, because the loan funds "revolve" to be used for loans on new projects as the principal and any interest are repaid, the SRFs represent a sustainable source of funding.

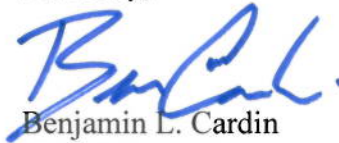
Increased funding for the SRFs will also help the Chesapeake Bay watershed states address their obligations under the Chesapeake Bay Total Maximum Daily Limit (TMDL). The TMDL addresses pollution resulting from urban and suburban area runoff and combined sewer overflows (CSOs) in addition to pollution from other sources. Funding for the SRFs can be used to help rehabilitate, replace, and upgrade aging sewers that lack adequate capacity to convey increasing wastewater and stormwater levels. They can also be used to fund innovative, low-maintenance approaches to addressing stormwater, such as green infrastructure.

The American Society of Civil Engineers gave the nation's wastewater and drinking water infrastructure a grade of "D" in 2013. This is egregious and appalling because access to safe drinking water is a fundamental right of citizens, and delivery of safe drinking water is a

fundamental responsibility for federal, state and local government. Much of our drinking water infrastructure is nearing the end of its useful life and represents a serious public health problem.

Underfunding of our vital water and wastewater infrastructure is an issue we cannot ignore. Including a substantial increase for the SRFs in the President's FY17 Budget Request to Congress would demonstrate the Administration's strong support for this important priority and I urge your consideration.

Sincerely,



Benjamin L. Cardin
United States Senator