



Congressman Earl Blumenauer

DISCUSSION OUTLINE FOR A WATER TRUST FUND

Our nation's water infrastructure needs have grown while funding for clean water has declined. The overall federal government contribution to total clean water spending has shrunk from 78% in 1978 to 3% today. The GAO, the U.S. Environmental Protection Agency, the Congressional Budget Office, and the Water Infrastructure Network, have estimated that the nation faces a growing water infrastructure funding gap of between \$300-500 billion between what is currently being spent and what must be spent over the next 20 years in order to upgrade our aging water infrastructure.

MISSION:

In order to meet the water infrastructure needs of our nation, Congressman Blumenauer is proposing draft legislation to create a Water Trust Fund. The mission of this trust fund is to provide a deficit-neutral, consistent and fire-walled source of revenue to states to support the replacement, repair, and rehabilitation of clean and drinking water infrastructure.

DISTRIBUTION MECHANISM:

Most of the funding would be distributed as grants and loans to states through a formula similar to the Clean Water and Drinking Water State Revolving Loan Funds. States would have authority to set project priorities and deliver funds directly to municipalities. Grant recipients would provide a 35% match for most of the funding. Additional funding would be available through new programs to deal with research and development, green infrastructure, small water systems, and other priorities. New systems that contribute to sprawling development would not be eligible for funding.

ELIGIBLE ACTIVITIES:

Funding would be available for activities currently supported by the Clean Water and Drinking Water State Revolving Loan Funds. In addition, money would be available for:

- Water conservation
- Water quality assessments
- Security enhancements
- Transmission and distribution infrastructure
- Combined sewer overflows and sanitary sewer overflows
- Non-point source pollution prevention
- Projects to correct failed septic systems
- Green infrastructure, reuse, and efficiency
- Research and development
- Integrated water resource management
- Energy efficiency and renewable energy upgrades at plants

FUNDING MECHANISMS:

Many different revenue sources that together would raise at least \$10 billion a year are under consideration. The GAO is currently examining a number of these options and estimating potential revenue raised. These include one or more of the following:

- Per container fee on bottled beverages
- Tax on certain flushable products
- Higher penalties for industrial discharges
- Corporate environmental income tax
- Taxes on agricultural chemicals

NEXT STEPS:

During the month of March, Congressman Blumenauer will be collecting feedback and suggestions on this discussion outline. He hopes to propose draft legislation for review in early April. Please send any comments to Janine Benner at Janine.benner@mail.house.gov.

For more information on Congressman Blumenauer's environmental policy agenda, please contact Janine Benner in the DC office at (202) 225-4811 or see our website at <http://www.blumenauer.house.gov/>.

Legislative
Agenda