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The Authoritative Resource on Safe Water <sup>SM</sup>

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## *Washington D.C. Report*

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### **January 19, 2009**

#### **“So Help Me God.”**

With those words Barack Hussein Obama will seal the oath of office tomorrow and become the 44<sup>th</sup> President of the United States. Both President Bush and the President Elect have carried through on their pledges to make this the smoothest and most efficient presidential transition in history, and tomorrow at precisely noon Eastern Time a number of the most sensitive posts in the government will quietly assume new management. Many other positions are substantially along in the transition process (see the article on EPA, below).

The President Elect hosts a dinner tonight for John McCain, the first time a President Elect has ever honored his opponent in this way. Obama is also genuinely reaching out to Republicans on Capitol Hill. Ironically, he may have more difficulty working with the Democratic leaders of Congress in the months ahead, as he appears to be plotting a centrist course while many of them have more liberal leanings. We do know that the President Elect plans a very busy first 100 hours, including meetings with the military chiefs regarding Iraq and Afghanistan, and with his full economic team regarding economic recovery plans. Don't be surprised if there are significant presidential directives issued in the first days.

To say that Washington is on guard for this inauguration would be a significant understatement. Although officials have stressed they know of no actual threat, there are more than 23,000 police and military personnel inside Washington, an 800 percent increase above normal levels. The DC Water and Sewer Authority has a mobile command post downtown, along with two state-of-the-art mobile labs for testing water quality and teams standing by to respond to any kind of water emergency. Roads into the city are closed or restricted, and screening begins upon entry to the public transit system. Several square miles of downtown (including the AWWA office building) are either completely closed or are accessible only on foot, after you pass through high tech airport-style security checkpoints. Despite these measures, record crowds are already in evidence throughout the city, even though today is a holiday.

#### **House Committee Releases Stimulus Draft; Includes \$2 Billion for DWSRF**

The Democratic leadership of the House Committee on Appropriations last Thursday made public the draft of an \$825 billion economic stimulus bill that includes \$2 billion for the drinking water State Revolving Fund; \$6 billion for the clean water SRF; and \$1.5 billion for USDA's rural water and wastewater grant and loan program. Although still draft and subject to change, as written EPA has 30 days to move funds to the states and states must adopt a *goal* of committing half their funds to projects within 120 days. States must *actually* commit half their funds within one year, or lose the uncommitted balance of that half. States must commit the second half of their funds to projects within two years, or

lose the uncommitted balance. All dates are from enactment. Half of these funds are to be distributed to communities in the form of grants or no interest loans.

It is important to remember that many steps remain in the legislative process, many details are yet to be worked out, and significant changes are likely before the final package is signed into law.

As drafted the bill includes more categories of spending and less funds for infrastructure than many people had expected. Other categories include:

- **Energy:** \$32 billion for investment in the nation's energy transmission, distribution, and production systems; \$16 billion to repair public housing and make key energy efficiency retrofits; and \$6 billion to weatherize modest-income homes.
- **Science and Technology:** \$10 billion for science facilities, research, and instrumentation; and \$6 billion to expand broadband internet access in rural and other underserved areas.
- **Roads, Bridges, Transit and Waterways:** \$30 billion for highway construction; \$31 billion to modernize federal and other public infrastructure with investments that lead to long term energy cost savings; \$19 billion for clean water, flood control, and environmental restoration investments (largely Corps of Engineers projects); and \$10 billion for transit and rail to reduce traffic congestion and gas consumption.
- **Education:** \$41 billion to local school districts; \$15.6 billion to increase the Pell grant by \$500; and \$6 billion for higher education modernization.
- **Aid to States:** \$79 billion in state fiscal relief to prevent cutbacks to key services; \$15 billion to states as bonus grants as a reward for meeting key performance measures; and \$25 billion to states for other high priority needs such as public safety and other critical services.
- **Tax Cuts:** to provide direct tax relief to 95 percent of American workers (details and cost TBD).
- **Healthcare:** \$20 billion for health information technology; and \$4.1 billion to provide for preventative care and to evaluate the most effective healthcare treatments.
- **Help for Workers:** \$43 billion for increased unemployment benefits and job training; \$39 billion to support those who lose their jobs by helping them to pay the cost of keeping their employer provided healthcare under COBRA and providing short-term options to be covered by Medicaid; and \$20 billion to increase food stamp benefits.
- **Public Sector Jobs:** \$87 billion for a temporary increase in the Medicaid matching rate and \$4 billion for state and local law enforcement funding.

Whew! And this bill is likely to grow as it moves through the legislative process.

## Perchlorate

On Jan. 8<sup>th</sup>, EPA set an interim health advisory level for perchlorate of 15 ppb and also decided to turn to the National Academy of Sciences (NAS) for advice on the substance. The interim health advisory level will be used to determine clean up levels for groundwater contaminated with perchlorate.

EPA is expected to ask NAS to evaluate the derivation of the perchlorate Health Reference Level (HRL) of 15 ppb, the modeling techniques used to determine the level, and recent studies. It could take several weeks for EPA to fully develop the specific charge to the NAS Committee.

On Oct. 10<sup>th</sup>, EPA issued a preliminary regulatory determination to not regulate perchlorate in drinking water. EPA – meaning the new Administration – is not likely to finalize the determination on whether or not to set a drinking water standard for perchlorate until the NAS has completed its review. That is expected to take at least 18 months.

## **ASCE Report Card Coming Soon**

The Washington office has been in conversation with staff of the American Society of Civil Engineers (ASCE) concerning the upcoming ASCE *2009 Report Card for America's Infrastructure*. In recent years, ASCE has awarded a grade of C- or D for water and wastewater infrastructure. Comparing current levels of spending for water and wastewater reported in August by the US Conference of Mayors to EPA's estimates on the need for such spending, we have argued that at least a B is justified.

In order to influence the conversation in Washington on infrastructure, ASCE will issue important components of its *Report Card* on January 28, including letter grades with short condition summaries for each of 15 infrastructure categories; solutions for infrastructure improvement; and an overall cost to improve the nation's infrastructure. The full 2009 *Report Card* including detailed fact sheets on all categories and state-by-state information will be released on March 25. Despite our best efforts, we can't promise that the grade for water will show improvement over recent years.

## **EPA Candidates Headed Toward Confirmation**

Lisa Jackson, President-Elect Obama's nominee to be Administrator of the U.S. Environmental Protection Agency, appeared headed to an easy confirmation after a hearing by the Senate Committee on Environment and Public Works last Wednesday. Jackson is the former head of New Jersey's Department of Environmental Protection.

At the hearing, Jackson signaled her strong intention to address global warming and develop controls on greenhouse gasses like carbon dioxide. While most of the hearing focused on climate change, Jackson did mention that water SRF funds had seen declining appropriations over the years.

The committee is expected to move Jackson's nomination to the floor of the full Senate as soon as this week.

Cass Sunstein will head the OMB's Office of Information and Regulatory Affairs. This position is often called the "regulatory czar" because its function is to approve agency rules as the last check before they are finalized, ensuring they are cost effective and conform to the law. Some environmental organizations are opposing Sunstein's appointment because they believe he will act to slow down or weaken new environmental regulations (including drinking water regulations). Conversely, the appointment is said to have delighted the business community. Sunstein is currently a law professor at Harvard, and has written prolifically on the costs and benefits of rulemaking.

We have heard through reliable sources – though its not officially confirmed – that Cameron Davis, president of the Alliance for the Great Lakes, will be named EPA Assistant Administrator for Water. Davis has worked as a staff attorney for EPA's Office of Regional Counsel in Region V and served the United Nations Environment Program in Nairobi, Kenya.

As always, please contact your AWWA Washington Office if you have questions or comments.