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{ REPORT
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WATER SECURITY PROGRAM GRANTS

DECEMBER 10, 2001.—Ordered to be printed

Mr. JEFFORDS, from the Committee on Environment and Public Works, submitted the following

REPORT

[to accompany S. 1608]

[Including cost estimate of the Congressional Budget Office]

The Committee on Environment and Public Works, to which was referred a bill (S. 1608) to establish a program to provide grants to drinking water and wastewater facilities to meet immediate security needs, having considered the same reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

GENERAL STATEMENT AND BACKGROUND

In the wake of the events of September 11, 2001, our nation's drinking water and wastewater facilities have worked diligently to ensure that they are protected from any potential security breaches. This is an effort that needs to occur as soon as possible. However, in many cases, this is also an unplanned effort, and therefore, in many cases, unbudgeted. The purpose of this legislation is to provide short-term assistance for these facilities to upgrade their physical security before the end of the fiscal year in which this legislation is enacted. The committee does not intend for this program to provide any mid-term or long-term assistance for physical security upgrades to drinking water and wastewater facilities. This legislation is intended to provide a rapid infusion of assistance to ensure that our nation's water infrastructure system is as secure as possible in the wake of the events of September 11, 2001.

SECTION-BY-SECTION ANALYSIS

Section 1. Water Security Grants

This section establishes the grant program by which the Administrator of the Environmental Protection Agency will provide assistance to drinking water and wastewater facilities.

Subsection defines key terms in the bill. “Administrator” is defined as the Administrator of the Environmental Protection Agency. “Eligible entity” is defined as a publicly or privately owned drinking water or wastewater facility. An “eligible project or activity” is defined as a project or activity carried out by an eligible entity to address an immediate physical security need. This section clarifies that the following items are included in the definition of eligible project or activity: security staffing, detection of intruders, installation and maintenance of fencing, gating, or lighting; installation of and monitoring on closed-circuit television; rekeying of doors and locks; site maintenance, such as maintenance to increase visibility around facilities, windows, and doorways; development, acquisition, or use of guidance manuals, educational videos, or training programs; and a program established by a State to provide technical assistance or training to water and wastewater facility managers, especially such a program that emphasizes small or rural eligible entities.

This subsection also excludes any large-scale or system-wide project that includes a large capital improvement or vulnerability assessment. The committee included this language to ensure that the funds provided under this authorization are only used for short-term, immediate physical security improvements. The committee anticipates that all drinking water and wastewater facilities will undertake a full-scale physical and cyber vulnerability assessment. The committee anticipates that the majority of security modifications at drinking water and wastewater facilities will be made as a result of these assessments. The committee does not intend for the funds provided under this bill to pay for these types of modifications.

Subsection (b) requires the Administrator to establish a grant program to allocate funds to States for use in awarding grants to eligible entities. The funds will be provided to States in accordance with the formula in section 1452(a)(1)(D) of the Safe Drinking Water Act (42 U.S.C. 300j-12(a)(1)(D)) within 30 days. The States are required to distribute a notice to each eligible entity that funds are available within 30 days after receipt of funds.

Subsection (c) provides for the award of grants. Eligible entities are required to submit grant applications to States in the form prescribed by the State. In order to receive funds under this program, eligible entities must agree to expend all funds provided by the grant not later than September 30 of the fiscal year in which this Act is enacted.

This subsection also includes a requirement that States shall ensure, to the maximum extent practicable in accordance with the income and population distribution of the State, that a sufficient percentage of the funds allocated to the State under subsection (b)(2) are available for disadvantaged, small, and rural eligible entities in the State. The committee intends that this provision ensure that

disadvantaged, small, and rural eligible entities receive a proportionate share of funds provided by States under this program.

Subsection (d) outlines details regarding eligible projects and activities. Grants to eligible entities can be used for one or more eligible projects or activities. The committee included language in this subsection requiring States to coordinate with training programs of rural water associations of a State that are in effect as of the date on which the grant is awarded.

Subsection (e) authorizes appropriations of \$50,000,000 to carry out this grant program for the fiscal year in which this Act is enacted.

LEGISLATIVE HISTORY

Senator Smith of New Hampshire, Senator Jeffords, Senator Crapo, and Senator Graham introduced S. 1608 on October 31, 2001.

HEARINGS

A hearing was held on S. 1608 and other infrastructure security bills on November 1, 2001 before the full committee. Witnesses included Michael Brown, Deputy Director, Federal Emergency Management Agency, Washington, DC; Joe Moravec, Commissioner, Public Building Service, General Services Administration, Washington, DC; Dr. David Sampson, Assistant Secretary for Economic Development, Economic Development Administration, U.S. Department of Commerce, Washington, DC; Richard Meserve, Chairman, Nuclear Regulatory Commission, Rockville, MD; Herbert Mitchell, Associate Administrator for Disaster Assistance, Small Business Administration, Washington, DC; and Marianne L. Horinko, Assistant Administrator Office of Solid Waste and Emergency Response, Environmental Protection Agency, Washington, DC.

ROLLCALL VOTES

The Committee on Environment and Public Works met to consider S. 1608 on November 8, 2001. The committee agreed by voice vote to an amendment in the nature of a substitute offered by Senator Smith of New Hampshire.

REGULATORY IMPACT STATEMENT

In compliance with section 11(b) of rule XXVI of the Standing Rules of the Senate, the committee makes evaluation of the regulatory impact of the reported bill. The bill does not create any additional regulatory burdens, nor will it cause any adverse impact on the personal privacy of individuals.

MANDATES ASSESSMENT

S. 1608 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on State, local, and tribal governments.

COST OF LEGISLATION

Section 403 of the Congressional Budget and Impoundment Control Act requires that a statement of the cost of the reported bill,

prepared by the Congressional Budget Office, be included in the report. That statement follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 16, 2001.

Hon. JAMES JEFFORDS, *Chairman,*
Committee on Environment and Public Works,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1608, a bill to establish a program to provide grants to drinking water and wastewater facilities to meet immediate security needs.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Susanne S. Mehlman (for Federal costs), who can be reached at 226-2860, and Elyse Goldman (for the State and local impact), who can be reached at 225-3220.

Sincerely,

DAN L. CRIPPEN

S. 1608, A bill to establish a program to provide grants to drinking water and wastewater facilities to meet immediate security needs, as ordered reported by the Senate Committee on Environment and Public Works on November 8, 2001

SUMMARY

S. 1608 would authorize an appropriation of \$50 million to the Environmental Protection Agency (EPA) for new grants to States to address security concerns at drinking water and wastewater facilities. States would use such grants to assist publicly or privately owned drinking water or wastewater facilities for projects or activities related to an immediate physical security need, such as the installation of fencing or lighting.

CBO estimates that implementing this legislation would cost \$50 million in fiscal year 2002, assuming appropriation of the authorized amount. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. S. 1608 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on State, local, and tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1608 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

For this estimate, CBO assumes that the bill will be enacted by the end of this calendar year, that the full amount authorized will be appropriated in fiscal year 2002, and that all funds will be allocated to States promptly following this legislation's enactment. Each State would be responsible for soliciting, reviewing, and funding grant applications from local water systems.

By Fiscal Year, in Millions of Dollars

	2002	2003	2004	2005	2006
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	50	0	0	0	0
Estimated Outlays	50	0	0	0	0

Pay-As-You-Go Considerations: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1608 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on State, local, and tribal governments. The bill would provide a significant benefit to State and local governments by authorizing \$50 million in grants to States who would in turn award funds to drinking water and wastewater facilities for increasing immediate physical security. Any costs associated with the grant program would be considered a condition of aid.

Estimate Prepared By: Federal Costs: Susanne S. Mehlman; Impact on State, Local, and Tribal Governments: Elyse Goldman; Impact on the Private Sector: Cecil McPherson.

Estimate Approved By: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW

Section 12 of rule XXVI of the Standing Rules of the Senate, provides that reports to the Senate should show changes in existing law made by the bill as reported. Passage of this bill will make no changes to existing law.

