

Reid Urged To Add Water Infrastructure Grant Program To Climate Bill

A coalition of water utilities and environmentalists are calling on Senate Majority Leader Harry Reid (D-NV) to include a “blue bank” water infrastructure program in a forthcoming climate and energy bill, saying that doing so will give the idea a foothold in infrastructure funding discussions even if the bill does not pass Congress this year.

In a May 17 letter, a broad coalition of water utility interests and environmental activist organizations urge Reid to include in any final legislation a “blue bank,” which would provide competitive grant funding to help water utilities address infrastructure issues associated with climate change, rather than low-interest loans as under EPA’s state revolving fund (SRF) program.

The draft climate legislation Sens. John Kerry (D-MA) and Joseph Lieberman (I-CT) introduced May 12 includes a provision authorizing EPA to develop a program to help water utilities address infrastructure issues associated with climate change. But the measure is voluntary, and the coalition is pushing for a mandatory program that offers a more in-depth description of how the program would operate.

“While Section 6011 of the [Kerry-Lieberman] bill allows that the EPA administrator “may” establish water system mitigation and adaptation partnerships, the scope of the program is undefined,” the letter reads. “The undersigned organizations therefore urge you to include a Blue Bank for Water System Mitigation and Adaptation in the ‘American Power Act’ or any other comprehensive climate and energy legislation considered in the Senate.” *The letter is available on InsideEPA.com. See page 2 for details.*

A water utility source says Reid’s legislative strategy is to take the Kerry-Lieberman discussion draft and merge it with other germane bills — including the energy legislation introduced by Senate Energy & Natural Resources Committee Chairman Jeff Bingaman (D-NM) last year — ultimately introducing a comprehensive bill that he will bring to the floor sometime in June.

The coalition’s letter is an effort to have one of a handful of bills that have already been introduced that include a Blue Bank to be among those folded into a comprehensive climate bill, the source says. Among those bills are S. 1712, which Reid introduced last year; S. 1733, which Kerry introduced in February; or H.R. 2969, which Rep. Lois Capps (D-CA) introduced last year, the source says, adding that the coalition believes the chances are good that Blue Bank language will ultimately make its way into the finished product.

“We’re asking Reid to include the Blue Bank . . . we’re not getting into specifics but just asking for some version,” the source says. “We’ve spoken to staff and they’ve indicated that this is a priority of his. The fact that he’s introduced legislation [establishing a Blue Bank] indicates that this is a priority.”

Under the coalition’s proposal, EPA would judge applications for funding based on need and breadth of the project, thus creating a source of seed funding for larger projects that would otherwise consume a large share of a state’s funding under the SRF program.

“The idea is, we don’t want it to be like the SRF program, where states tend to spread the funding out very thinly,” the source says. “What we’re hoping to do with this is have states or the national EPA evaluate projects based on comprehensiveness and need.”

The source added that, while the Kerry-Lieberman climate bill still faces an uphill struggle towards passage, including a Blue Bank program in the bill would still represent a victory in itself because whenever the Senate takes up a climate bill in future congresses, the Kerry-Lieberman package would likely be the starting point.

“I think the Kerry-Lieberman bill will still have a very high mountain to climb, and it’s probably still doubtful” that the bill will pass, the source says. “But I think climate change [will still be an issue] as long as the Democrats are in the majority, and this could be a starting point for next year.” — *John Heltman*