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SENATE

{ REPORT
109-159

TO AMEND THE SAFE DRINKING WATER ACT AMENDMENTS OF 1996 TO
MODIFY THE GRANT PROGRAM TO IMPROVE SANITATION IN RURAL AND
NATIVE VILLAGES IN THE STATE OF ALASKA

OCTOBER 24, 2005.—Ordered to be printed

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

R E P O R T

[To accompany S. 1409]

[Including cost estimate of the Congressional Budget Office]

The Committee on Environment and Public Works, to which was referred a bill (S. 1409) to amend the Safe Drinking Water Act Amendments of 1996, to modify the grant program to improve sanitation in rural and Native villages in the State of Alaska, having considered the same reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

GENERAL STATEMENT AND BACKGROUND

The water and sewer conditions in many Alaskan Native villages rival the condition in rural communities in Third World countries. Residents throughout many villages in Alaska have to go to a central source, usually a well, to get fresh water. Without adequate sewer systems, residents must dump raw sewage, which contaminates the fresh groundwater. While Section 303 of the Safe Drinking Water Act Amendments of 1996 has provided many communities with plumbing, nearly 33 percent of rural Alaskan homes are still without indoor plumbing. The program was authorized for \$40 million per year for fiscal years 2001 through 2005. The program received \$35 million in fiscal year 2001, \$40 million in fiscal year 2002, \$43 million in fiscal years 2003 and 2004 and \$45 million in fiscal year 2005. S. 1409 reauthorizes Section 303 of the Safe Drinking Water Act Amendments by authorizing \$45 million each year for fiscal years 2006 through 2010. S. 1409 places certain conditions upon the grant of funds to ensure that the goals of the Safe Drinking Water Act Amendments of 1996 are met.

OBJECTIVES OF THE LEGISLATION

To amend Section 303 of the Safe Drinking Water Act Amendments of 1996 to improve sanitation in rural and Native villages in the State of Alaska.

SECTION-BY-SECTION ANALYSIS

Section 1. Grants to Alaska to improve sanitation in rural and native villages.

Summary

S. 1409 requires that each applicant clearly identify the scope and the goal of the project, and declare how the funds will be used to meet the specific stated goals of the project. It further requires the State of Alaska to establish long-term goals for the program, including providing water and sewer systems to Alaska Native villages and carry out regular reviews of the approved applicants to determine if the stated scope and goals of each grant are met. The bill also requires the State of Alaska to submit a report to the Environmental Protection Agency, describing the specific goals of each project; how the funds were used to meet the goal; and whether the goals of the project were met. It instructs the Environmental Protection Agency to recommend to the State of Alaska ways to correct any deficiencies identified in the report. It also reauthorizes the program at \$45 million per year for fiscal years 2006 through 2010.

Discussion

Each year the Indian Health Service conducts a survey, the Sanitation Deficiency System Update which assesses the needs of rural Alaska villages. The 2005 SDS found that the estimated total need for these communities is \$559 million. According to the State of Alaska, approximately 77 percent of rural Alaska homes have piped or community haul service and approximately 55 percent of rural Alaska communities are served by pipes or community haul systems. Separately, the Office of Management Budget (OMB) recently raised concerns about the management of the Alaska Native Villages program by the State of Alaska and the Environmental Protection Agency. OMB found that the program did not have good performance data nor had it demonstrated progress in achieving its long-term goals. OMB also found that EPA does not collect timely and credible performance information and because it does not collect such information, cannot improve the programs performance. The committee included several new accountability measures to ensure that the funds in this program are efficiently spent to meet the needs of these Alaska Native Villagers.

LEGISLATIVE HISTORY

On July 14, 2005, Senator Murkowski introduced S. 1409, which was received, read twice and referred to the Committee on Environment and Public Works. The committee met on July 20, 2005 to consider the bill. S. 1409, as amended, was ordered favorably reported by the committee.

HEARINGS

No committee hearings were held on this bill.

ROLLCALL VOTES

The Committee on Environment and Public Works met to consider S. 1409 on July 20, 2005. A substitute amendment offered by Senators Inhofe and Jeffords was accepted by unanimous consent. The bill was ordered reported favorably by voice vote. No roll call votes were taken.

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

In compliance with the Unfunded Mandates Reform Act of 1995 (Public Law 104-4), the committee makes the following evaluation of the Federal mandates contained in the reported bill. S. 1409 imposes no Federal intergovernmental mandates on State, local, or 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:

S. 1409, A bill to amend the Safe Drinking Water Act Amendments of 1996 to modify the grant program to improve sanitation in rural and Native villages in the state of Alaska, As ordered reported by the Senate Committee on Environment and Public Works on July 20, 2005

Summary

S. 1409 would amend the grant program for rural and Native Alaskan villages as provided under the Safe Drinking Water Act Amendments of 1996. Current law authorize the appropriation of \$40 million each year through 2005 for the Environmental Protection Agency (EPA) to provide grants to the state of Alaska to improve sanitation in rural and Native Alaskan villages. S. 1409 would increase and extend this authority to \$45 million annually through 2010. (That level is equal to the amount appropriated for the program in 2005.)

EPA would use the funds to provide grants to improve public water and wastewater systems and establish educational programs for the management of sanitation services in Alaska. CBO estimates that implementing S. 1409 would cost \$192 million over the 2006-2010 period, assuming appropriation of the authorized amounts.

Enacting this bill would not affect direct spending or receipts. S. 1409 contains no intergovernmental or new private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would benefit local and tribal governments within the state of Alaska; any costs they incur would result from complying with conditions for receiving federal assistance.

Estimated Cost to the Federal Government

The estimated budgetary impact of S. 1409 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 the full amounts authorized will be appropriated each year, and that spending will follow historical costs for this program.

By Fiscal Year, in Millions of Dollars						
	2005	2006	2007	2008	2009	2010
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Rural and Native Alaskan Drinking Water Grants.						
Budget Authority ¹	45	0	0	0	0	0
Estimated Outlays	44	22	9	2	0	0
Proposed Changes.						
Authorization Level	0	45	45	45	45	45
Estimated Outlays	0	23	36	43	45	45
Spending Under S. 1409 for Rural and Native Alaskan Drinking Water Grants.						
Authorization Level ¹	45	45	45	45	45	45
Estimated Outlays	44	45	45	45	45	45

¹The 2005 level is the amount appropriated that year to EPA under the Safe Drinking Water Act Amendments of 1996 for grants to improve sanitation in rural and Native Alaskan villages.

Intergovernmental and Private-Sector Impact

S. 1409 contains no intergovernmental or new private-sector mandates as defined in UMRA. The bill would benefit local and tribal governments within the state of Alaska by authorizing grants to improve sanitation in rural communities and Native villages. Any costs they incur, including matching funds, would result from complying with conditions for receiving federal assistance.

Estimate Prepared By: Federal Costs: Susanne Mehlman and Jimin Chung; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Alicia Handy.

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

CHANGES IN EXISTING LAW

In compliance with section 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows: Existing law proposed to be omitted is enclosed in [black brackets], new matter is printed in *italic*, existing law in which no change is proposed is shown in *roman*:

TITLE 33—NAVIGATION AND NAVIGABLE WATERS
CHAPTER 26—WATER POLLUTION PREVENTION AND
CONTROL

Subchapter I—Research and Related Programs

SEC. 1263a. GRANTS TO ALASKA TO IMPROVE SANITATION IN RURAL AND NATIVE VILLAGES

(a) IN GENERAL.—The Administrator of the Environmental Protection Agency may make grants to the State of Alaska for the benefit of rural and Native villages in Alaska to pay the Federal share of the cost of—

(1) the development and construction of public water systems and wastewater systems to improve the health and sanitation conditions in the villages; and

(2) training, technical assistance, and educational programs relating to the operation and management of sanitation services in rural and Native villages.

(b) FEDERAL SHARE.—The Federal share of the cost of the activities described in subsection (a) of this section shall be 50 percent.

(c) ADMINISTRATIVE EXPENSES.—The State of Alaska may use an amount not to exceed 4 percent of any grant made available under this subsection for administrative expenses necessary to carry out the activities described in subsection (a) of this section.

(d) CONSULTATION WITH STATE OF ALASKA.—The Administrator shall consult with the State of Alaska on a method of prioritizing the allocation of grants under subsection (a) of this section according to the needs of, and relative health and sanitation conditions in, each eligible village.

(e) REQUIREMENTS.—*As a condition of receiving a grant under this section, the State of Alaska shall—*

(1) require each applicant to clearly identify the scope and the goal of the project for which funding is sought and how the funds will be used to meet the specific, stated goal of the project;

(2) establish long-term goals for the program, including providing water and sewer systems to Alaska Native villages; and

(3) carry out regular reviews of grantees to determine if the stated scope and goals of each grant are being met.

(f) REPORTING.—*The State of Alaska shall submit to the Administrator of the Environmental Protection Agency a report describing the information obtained under subsection (e), including—*

(1) the specific goals of each project;

(2) how funds were used to meet the goal; and

(3) whether the goals were met.

(g) RECOMMENDATION.—*The Administrator of the Environmental Protection Agency shall recommend to the State of Alaska means by which the State of Alaska can address any deficiencies identified in the report under subsection (f).*

[(e)] *(h)* AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section **[\$40,000,000]** *\$45,000,000* for each of fiscal years 2001 through **[2005]** *2010*.

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