

**Statement of
The Honorable Eddie Bernice Johnson
Subcommittee on Water Resources and Environment
Hearing On
“Opportunities and Challenges in the Creation of
a Clean Water Trust Fund”
July 15, 2009**

Today, the Subcommittee on Water Resources and Environment will consider the opportunities and challenges in the creation of a Clean Water Trust Fund. This Subcommittee has long understood the importance of the nation’s wastewater infrastructure in achieving the goals of fishable and swimmable waters under the Clean Water Act.

Over the years, this Subcommittee has held numerous hearings on the condition of our wastewater infrastructure, and on the adverse impacts of deteriorating infrastructure to the nation’s economy and the environment. In addition, the Subcommittee has documented the growing gap between the need for water infrastructure improvements and annual expenditures for this purpose. For example, current estimates show an annual investment shortfall of between \$3.2 billion and \$11.1 billion for water-related infrastructure.

This Subcommittee also understands the importance of increased infrastructure investment on job creation. While this is not the primary focus of the Clean Water Act, we must recognize the added benefit of infrastructure investment on job creation, and the secondary beneficial impacts on the nation’s economy. With a national jobless rate of 9.5 percent – the highest it has been in 26 years – including roughly 1.6 million unemployed construction workers, it is clear that an increase in infrastructure investment will have multiple benefits to the nation at large.

Earlier this year, this Committee approved H.R. 1262, the Water Quality Investment Act of 2009 to reauthorize the Clean Water State Revolving Fund at increased amounts over the next five years. This bill, which is awaiting action by the full Senate, would restore the Federal commitment to meeting our wastewater needs in the future.

However, assuming that actual Federal appropriations are made to match levels authorized in that bill, there would still be an annual gap between Federal expenditures and needs for clean water infrastructure. That is why we are here today – to take the first step in a larger debate about how best to fund our nation’s water-related infrastructure needs in the future.

Today’s conversation focuses on one potential option, other than general revenues, that may be necessary to address the growing water-related infrastructure gaps – the potential creation of a clean water trust fund. The creation of a national trust fund would provide a deficit-neutral, long term Federal contribution to protecting the nation’s waters.

A clean water trust fund should also provide greater certainty to State and local governments on the availability of sufficient revenues to meet existing and future water needs, both through capital expenditures for wastewater infrastructure repairs and replacements, as well as potentially addressing other Clean Water Act authorities, such as non-point source control programs and grants to State water pollution control programs. This long-term predictability on wastewater infrastructure funding will allow State and local governments to develop long-range planning for wastewater infrastructure projects, similar to the planning efforts for the nation's surface transportation projects funded through the Highway trust fund.

Unfortunately, before the debate even started on the benefits of a clean water trust fund, we heard from interest groups that do not believe they should contribute to the creation of a trust fund. This finger-pointing is reminiscent of the quote attributed to the late-Senator, Russell Long, who said "Don't tax you, don't tax me. Tax that fellow behind the tree."

I recognize that any debate on identifying potential revenues sources for infrastructure investment will be challenging. This Committee is already engaged in a similar debate to address the current shortfall in the Highway Trust Fund. However, in my opinion, we must recognize that the end goal of this debate is an increase in infrastructure spending that will benefit the entire nation.

It is clear that the need for water infrastructure investment is well documented. It is clear that clean water benefits both human and ecological health as well as the health of the U.S. economy. It is clear that we are all beneficiaries of reliable drinking and wastewater infrastructure. Finally, it is clear that the creation of a clean water trust fund would help close the gap between infrastructure needs and annual investment.

In my opinion, if we are going to be successful in creating a long-term, sustainable, and dedicated source of revenue to address our wastewater infrastructure needs, all of the potential revenue sources for a trust fund must be put before Congress and debated. That means all of the potential revenue sources identified by the May 2009 report of the Government Accountability Office need to be put on the table and debated.

It seems unlikely that interest groups will come to Congress and say "tax me." However, at the same time, we must be able to articulate a logical connection between the source of revenue and the benefit that comes from clean water.

I applaud the gentleman from Oregon, Mr. Blumenauer, for taking the first step in this larger debate by introducing the "Water Protection and Reinvestment Act."

I would hope my colleagues agree that a clean water trust fund would be a useful addition to address the nation's wastewater infrastructure needs. I look

forward to hearing the witnesses here this morning, and continuing this debate on the opportunities and challenges to the creation of a clean water trust fund.

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