



U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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November 3, 2009

SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Water Resources and Environment

FROM: Committee on Transportation and Infrastructure Staff

SUBJECT: Hearing on “Recovery Act: Progress Report on Water Resources Infrastructure Investment”

PURPOSE OF HEARING

The Subcommittee on Water Resources and Environment will meet on Wednesday, November 4, 2009, at 10:00 a.m., in room 2167 of the Rayburn House Office Building to examine progress to date on implementing the American Recovery and Reinvestment Act (P.L. 111-5) (Recovery Act). The hearing will primarily address programs administered by the Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers (Corps).

BACKGROUND

State of the Economy

According to the Bureau of Labor Statistics (BLS), as of September 2009,¹ there are 15.1 million unemployed persons in the United States, for all sectors of the economy combined. In addition, when part-time and discouraged workers who want full-time jobs are included, the number of unemployed/under-employed workers increases to 26.5 million.

The unemployment rate in September 2009 was 9.8 percent. When part-time and discouraged workers who want full-time jobs are included, the unemployment rate is 17.0 percent.

The construction sector has been particularly hard-hit. It has lost 1,485,000 jobs since the recession began in December 2007. The unemployment rate in construction was 17.1 percent in

¹ The latest month for which data is available.

September 2009 – up 7.2 points since September 2008. This is the highest unemployment rate of any industrial sector. As of September 2009, there are 1,594,000 unemployed construction workers in the nation. Within the overall construction sector, seasonally adjusted employment in heavy and civil engineering construction² has fallen by 169,800 since the recession began in December 2007.

However, the number of unemployed construction workers has decreased by 431,000 since February 2009. The unemployment rate for construction workers has also dropped by 4.3 percent during that time period.

With this urgent need for jobs as the backdrop, Federal agencies and State and local governments are working together to implement the Recovery Act, to create and sustain family-wage jobs now and, at the same time, address the nation's long-term transportation investment needs.

Recovery Act

On February 17, 2009, the Recovery Act was signed into law. The Act provides \$9.86 billion for water resources infrastructure investment, within the jurisdiction of the Committee on Transportation and Infrastructure, including:³

Environmental Protection Agency (\$4.7 billion)

- \$4 billion for Clean Water State Revolving Fund (SRF) loans and grants;
- \$600 million for Superfund cleanup; and
- \$100 million for Brownfields grants.

U.S. Army Corps of Engineers (\$4.6 billion)

- \$2 billion for Construction;
- \$2.075 billion for Operation and Maintenance;
- \$375 million for Mississippi Rivers and Tributaries;
- \$100 million for Formerly Utilized Sites Remedial Action;
- \$25 million for Investigations; and
- \$25 million for the Regulatory Program.

I. Implementation Highlights

Environmental Protection Agency

- EPA has committed nearly \$4.6 billion for Recovery Act projects, representing 98 percent of the total amount of Recovery Act funds allocated to EPA.

² This term includes highway, street, and bridge construction; utility system construction; land subdivision construction; and other heavy and civil engineering construction.

³ The Recovery Act also provides \$290 million for Watershed and Flood Prevention Operations and \$50 million for the Watershed Rehabilitation Program. The Natural Resources Conservative Service implements both these programs. The Recovery Act also provides \$220 million for the International Boundary and Water Commission.

Clean Water SRF

- Of the \$4 billion in Recovery Act funds provided for the Clean Water SRF, EPA has awarded \$3.98 billion in capitalization grants to States, representing nearly 100 percent of the total apportionment. These funds are assisting in the construction, rehabilitation, and modernization of the nation's wastewater infrastructure;
- 873 Clean Water SRF projects in 43 States have been put out to bid, totaling \$1.8 billion,⁴ representing 48 percent of the total available formula funds for wastewater infrastructure;
- 530 Clean Water SRF projects in 40 States are under contract, totaling \$1.1 billion, representing 30 percent of the total available formula funds;
- Work has begun on 394 projects in 36 States, totaling \$872 million, representing 23 percent of the total available formula funds; and
- Since April 2009, EPA has published three nationwide waivers of the Buy American provisions for projects funded under the Recovery Act. EPA has also granted 17 regional waivers of the Buy American provisions of the Recovery Act for individual projects. For more information, please see pages 29-30 of the attached report, entitled *The American Recovery and Reinvestment Act of 2009, Transportation and Infrastructure Provisions Implementation Status as of October 16, 2009*.

Superfund

- Of the \$600 million apportioned for Superfund cleanup, EPA has provided \$573 million to existing contracts for 56 projects in 28 States. This represents 96 percent of the apportionment for Superfund cleanup.

Brownfields

- Of the \$100 million apportioned for Brownfields grants, EPA has awarded grants or provided funds for existing grants or contracts worth \$79 million for 176 Brownfields projects in 39 States. This represents 79 percent of the apportionment for Brownfields grants.

U.S. Corps of Engineers

- The Corps has committed nearly \$2.3 billion for 744 Recovery Act projects in 49 States, Puerto Rico, and the District of Columbia, representing 48 percent of the total amount of Recovery Act funds allocated to the Corps. This includes \$2 billion

⁴ Ten days after the Recovery Act was signed into law, the Committee requested transparency and accountability information directly from States, metropolitan planning organizations, and public transit agencies, on their use of transportation and environmental infrastructure formula funds, including the Clean Water SRF.

for new contracts and new work orders against existing contracts.

Construction Program

- Of the \$2 billion apportioned for the Construction program, the Corps has committed \$717 million for 132 projects. This represents 36 percent of the apportionment for this program.

Operation and Maintenance Program

- Of the \$2.075 billion apportioned for the Operation and Maintenance program, the Corps has committed \$1.3 billion for 515 projects. This represents 62 percent of the apportionment for this program.

Mississippi River and Tributaries Program

- Of the \$375 million apportioned for the Mississippi River and Tributaries program, the Corps has committed \$165 million for 36 projects. This represents 44 percent of the apportionment for this program.

Formerly Utilized Remedial Action Program

- Of the \$100 million apportioned for the Formerly Utilized Remedial Action program, the Corps has committed \$59 million for eight projects. This represents 59 percent of the apportionment for this program.

Investigations Program

- Of the \$25 million apportioned for the Investigations program, the Corps has committed \$15 million for 48 projects. This represents 61 percent of the apportionment for this program.

Regulatory Program

- Of the \$25 million apportioned for the Regulatory Program, the Corps has committed \$8 million for five projects. This represents 31 percent of the apportionment for this program.

For additional information, see the attached report.

II. Additional Transparency and Accountability Information

Project Data

The Committee requested that Federal agencies implementing programs receiving Recovery Act funds under the Committee's jurisdiction submit a specific list of announced Recovery Act projects, as of October 16, 2009.

Of the \$64.1 billion provided for both transportation and non-transportation programs under the Recovery Act, Federal, State, and local agencies administering programs within the Committee's jurisdiction have announced 13,319 transportation and other infrastructure projects totaling \$42.5 billion, representing 66 percent of the total available funds. Within this total, States and agencies have obligated \$36.4 billion for 12,866 projects, representing 57 percent of the available funds.

To download a complete list of projects, please visit the Transparency and Accountability section of the Committee's website at: <http://transportation.house.gov/>, and click on "Transparency and Accountability Information by Project (Data Reported as of October 16, 2009)". The list may be searched by State, Congressional District, Federal agency, or program.

Future Reports

The Committee will require Federal agencies, States, metropolitan planning organizations, public transit agencies, and other grant recipients to report regularly to the Committee regarding implementation of the Recovery Act.

WITNESSES

The Honorable Craig E. Hooks

Assistant Administrator
Office of Administration and Resources Management
U.S. Environmental Protection Agency

The Honorable Jo-Ellen Darcy

Assistant Secretary of the Army
U.S. Army Corps of Engineers

Secretary John Hanger

Pennsylvania Department of Environmental Protection

Mayor L. Ray Nunley

Village of Ruidoso
New Mexico

Mr. Michael Gritzuk

Director
Pima County, Arizona
Regional Wastewater Reclamation Department
representing the National Association of Clean Water Agencies