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MARKUP OF:

H.R. _____, DRINKING WATER SYSTEM IMPROVEMENT

ACT

THURSDAY, JULY 13, 2017

House of Representatives

Subcommittee on Environment,

Committee on Energy and Commerce

Washington, D.C.

The Subcommittee met, pursuant to call, at 10:00 a.m., in Room 2123 Rayburn House Office Building, Hon. John Shimkus [Chairman of the Subcommittee] presiding.

Present: Representatives Shimkus, McKinley, Barton, Murphy, Blackburn, Harper, Olson, Johnson, Flores, Hudson, Cramer, Walberg, Carter, Walden (ex officio), Tonko, Ruiz, Peters, Green, DeGette, McNerney, Dingell, Matsui, and Pallone (ex officio).

Staff present: Mike Bloomquist, Deputy Staff Director;

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Elena Brennan, Legislative Clerk, Energy/Environment; Karen Christian, General Counsel; Jerry Couri, Chief Environmental Advisor; Wyatt Ellertson, Research Associate, Energy/Environment; Adam Fromm, Director of Outreach and Coalitions; Ali Fulling, Legislative Clerk, Oversight & Investigations; Giulia Giannangeli, Legislative Clerk, Digital Commerce and Consumer Protection/Environment; Jay Gulshen, Legislative Clerk, Health; Tom Hassenboehler, Chief Counsel, Energy/Environment; A. T. Johnston, Senior Policy Advisor/Professional Staff, Energy/Environment; Peter Kielty, Deputy General Counsel; Mary Martin, Deputy Chief Counsel, Energy and Environment; Drew McDowell, Executive Assistant; Katie McKeough, Press Assistant; Alex Miller, Video Production Aide and Press Assistant; Dan Schneider, Press Secretary; Sam Spector, Policy Coordinator, Oversight and Investigations; Jeff Carroll, Minority Staff Director; Jacqueline Cohen, Minority Chief Environmental Counsel; David Cwiertney, Minority Energy/Environment Fellow; Elizabeth Ertel, Minority Office Manager; Jean Fruci, Minority Energy and Environment Policy Advisor; Rick Kessler, Minority Senior Advisor and Staff Director, Energy and Environment; Dan Miller, Minority Policy Analyst; Alexander Ratner, Minority Policy Analyst; Tim Robinson, Minority Chief Counsel; Andrew Souvall, Minority Director of Communications, Outreach and Member Services; and C. J. Young, Minority Press Secretary.

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Mr. Shimkus. The Subcommittee will now come to order. The chair recognizes myself for an opening statement. Good morning and welcome to today's subcommittee markup. Today we will be marking up a discussion draft on the Drinking Water Systems Improvement Act.

When we began this Congress, one of the things we committed to was to use our authority to authorize programs under our jurisdiction. The last reauthorization for the Safe Drinking Water Act was 1996, so it is high time we revisit and update the provision of this act. Our subcommittee held an oversight hearing in March on reinvestment and rehabilitation of our nation's safe drinking water delivery system. That hearing was the basis for the drafting of this legislation.

On May 19th, we had a legislative hearing on the text of our discussion draft. Since that time, our staffs have been working together on ways to increase funding for drinking water revolving loan funds and public water system supervision grants, efforts to improve asset management by utilities and potential partnership options that improve management of our systems and the provision of safe drinking water.

To be clear, our work has just begun. We want to work with our friends on the other side of the aisle to produce a legislative product that we all can be proud of. Since releasing the discussion draft in mid-May, the following provisions have been added. One, we have authorized 8 billion over 5 years for the

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drinking water revolving loan fund. This average of 1.6 million per year is the same as the level that passed the House in 2010 and many of our members voted for.

We have extended the buy American iron and steel provision without making any changes to the way they operate. We have opened the eligible uses of Drinking Water State Revolving Fund funding to now cover associated preconstruction activities and replacing or rehabilitating aging treatment, storage, and distribution facilities which our friends on the other side of the aisle included in their bill.

We have added a strategic plan for devising an electronic system that allows water utilities to send their compliance data to states and states send it to the EPA -- another idea our Democratic friends have supported. We have added best practices for loan funds and review of emerging technologies to help future drinking water system needs.

We have authorized funding for voluntary source water protection programs and changed the law to have drinking water systems promptly notified when their source water is fouled by an industrial spill. There are many good provisions in this bill.

We should not let the legislative process be held up because it doesn't go far enough or doesn't include certain provisions.

We are ready to work in good faith and are glad that our colleagues agree. This is the type of good bipartisan work we like to do here on the Energy and Commerce Committee. Even after

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this markup we should continue to work together and I commit to my colleagues to do just that.

With that I will yield back my time and recognize the Ranking Member of the Subcommittee for 5 minutes, Mr. Tonko.

[The opening statement of Mr. Shimkus follows:]

*****COMMITTEE INSERT 1*****

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Mr. Tonko. Thank you, Mr. Chair. And thank you for all of your hard work on this discussion draft and for your willingness to continue working with us to ensure that this committee can report a bipartisan bill.

Since the beginning of this Congress, this subcommittee has been building a strong record on the need for federal action to help state and local governments to invest in our crumbling drinking water systems. We have heard about the consequences both health and economic of neglect and divestment. We cannot fool ourselves into thinking local governments can do this on their own. There is a federal responsibility. This infrastructure is too important to continue to be neglected.

Over the past few weeks we have worked together to make, in my opinion, significant progress from the original discussion draft. First, let me say this bill reflects compromise. It is not the bill Democrats would have written on our own. I believe the funding levels could and should be increased and the number of the standard-setting hurdles that EPA faces could be removed.

But that is the nature of compromise. We have met halfway to get this bill on the path to being able to be supported by every, or nearly every, member of this committee.

I want to briefly mention a few provisions, many of which are new additions to this version and have been incorporated from the AQUA Act that I sponsored. The draft authorizes the drinking water SRF for a total of \$8 billion over fiscal years 2018 through

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2022, beginning at \$1.2 billion and rising to a \$2 billion total.

Again, while I would like to see higher levels, this is a big improvement over the current levels. The SRF was initially created in 1996 and has never been reauthorized so this is long overdue. The draft also extends buy America requirements for the length of the reauthorization. It reauthorizes the Public Water System Supervision Grant Program at a 50 percent higher level. It makes a number of changes to help disadvantaged communities by increasing the amount of loan subsidies states can provide to disadvantaged communities from 30 to 35 percent, and extends the deadline by which the loan must be paid back from 30 to 35 years.

This deadline is extended further to 40 years for disadvantaged communities. The bottom line is we know it is much more expensive to do emergency repairs than preventive maintenance. Unfortunately, it is far too costly for disadvantaged communities to be proactive, so they are stuck in a cycle of fixing one emergency after another with no option of going to the bond market.

There are a few more things we can do to improve this section even further which will be discussed later this morning. We know the data collected and shared with EPA are not sufficient. The draft would require the EPA to develop a plan for improving the accuracy and availability of compliance monitoring data.

Finally, it includes small amounts of funding for the source

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water petition program and a technology review that could help give credibility to technologies that will promote corrosion control, water loss, leak detection, and other system improvements. While I believe there are additional things we can do to encourage more systems to adopt asset management, this draft at least recognizes the potential for more widespread improved management practices.

It is my understanding that in addition to a number of bipartisan amendments, there will be a commitment to continue working on a number of other issues that are important to members including system resiliency, consumer notification, restructuring, and expanded monitoring.

Mr. Chair, I again want to thank you and thank you for the discussion draft today. I firmly believe that if we address these issues that will be raised today before going to full committee we will have a bill that we can be proud of and that we can show our constituents, mayors, and water utilities that we can work in a bipartisan spirited way and that we can offer a real effort to fix our pipes and ensure access to safe drinking water.

As I have said numerous times, every life and every job in this country depends on access to safe drinking water. The needs are great and the cost of inaction is even greater. So I look forward to continuing to take the necessary steps to bring us to action and with that, I yield back.

[The prepared statement of Mr. Tonko follows:]

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*****COMMITTEE INSERT 2*****

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Mr. Shimkus. The Chair thanks the gentleman, and I appreciate your dogged determination on this issue.

Mr. Tonko. Thank you.

Mr. Shimkus. So with that the Chair now recognizes the Chairman of the full committee, Mr. Walden, for 5 minutes.

The Chairman. Thank you very much, Mr. Chairman. And I want to thank Mr. Tonko and Mr. Pallone and others on the committee who have worked so hard -- Mr. Chairman, especially you -- in pulling us to this place where we can find common ground for the citizens we represent to try and make sure that water systems are safe and that water is safe.

So this morning we take another step forward in our efforts to not only modernize America's drinking water delivery systems, but to reauthorize lapsed funding for the programs for which this committee is responsible. This was one of the charges given to me as chair and to us as committee members, and I think it is important to the future of the committee that we take up these programs that have lapsed in their authorizations and have our imprint on them as committee members, both sides of the aisle, and we are doing that today.

And I want to especially thank our staffs who have to have worked most of the night, if not all the night, based on our late afternoon discussions, Mr. Chairman, with you and Mr. Tonko and Mr. Pallone and others, where we reached a lot of common ground.

Converting that common ground into legislative language is not

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easy and I think we have a really talented team that have done a wonderful job with this manager's amendment, and I know we have more work to do going forward. I think that is worthy of applause.

[Applause.]

The Chairman. So today's markup takes a bold step forward in addressing the challenges facing our aging drinking water delivery systems and supporting the American workforce that is working every day to rebuild our infrastructure.

The discussion draft focuses on three main principles: increasing funding to address drinking water systems' physical needs, aiding states and utilities with compliance and operation of the drinking water program, and encouraging the wisest use of the money that is spent.

Importantly, based on the testimony we have repeatedly received, the discussion draft before us authorizes appropriations of \$8 billion over 5 years for federal capitalization grants to state drinking water loan fund programs.

This funding will help communities in Oregon and across the country with projects that help to mitigate the most serious risks to health, comply with clean water and reporting requirements, and give a helping hand to our most economically distressed communities who are trying to meet the public health objectives of the Safe Drinking Water Act but need our help.

The draft also extends the requirements on the purchase of certain iron and steel products to ensure that they are American

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made while maintaining a competitive procurement process. We do both in this bill. I am personally excited about the provisions in the draft that look to the future with smart technology that ensures a water system's physical integrity, real-time monitoring to prevent, detect or respond to contaminants in drinking and source water, and facilitate alternate drinking water supplies from non-traditional sources.

And of course, this draft is not perfect. Some may be disappointed the draft doesn't cover all the issues discussed at the committee's two recent hearings. I suspect we will have some amendments that improve the bill as well as some that might not be ready for prime time. Between now and consideration by the full committee, I invite further discussion to allow a truly deliberative process to continue to occur particularly on the three principles I highlighted earlier.

So I welcome your feedback and look forward as a committee to working together on this dialogue as we move forward to get this reauthorization into law and help into our communities. I think this legislation can and should be a win for drinking water utilities, U.S. taxpayers, states, American workers and, most importantly, American consumers. With that Mr. Chairman, I would yield to the former chairman of the committee, Mr. Barton. And I know Mr. Harper wants some time as well.

[The prepared statement of The Chairman follows:]

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*****COMMITTEE INSERT 3*****

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Mr. Barton. Well, very quickly then because I have to go give a speech. I support the subcommittee markup and I echo what Chairman Walden said about the cooperation.

I do have one fly though I want to throw in the ointment. I am not supportive of this amendment in the manager's amendment on Davis-Bacon. I understand the politics of it. I understand that it is current law in the appropriations process that we re-up every year. Having said that I don't think it is appropriate to make it a part of the organic statute. If we were to have a roll call vote I would vote no for that reason.

But I do respect what the chairman and the ranking members at the full committee and subcommittee have done and so I am going to be a team player, but that is, Davis-Bacon made a lot of sense 30, 40 years ago. I understand what prevailing wage means. I also understand that in a world economy the prevailing wage is actually a lot larger than the local area. So with that, I thank the Chairman and yield back.

[The prepared statement of Mr. Barton follows:]

*****COMMITTEE INSERT 4*****

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The Chairman. And I would yield the balance of my time to Mr. Harper.

Mr. Harper. Mr. Chairman, I want to tell you how much I appreciate your commitment to improving our nation's drinking water infrastructure, and also Mr. Tonko for the way you have worked together on this. Over this past 2 years, this subcommittee has had numerous hearings and markups as we worked to educate members on the issues affecting drinking water systems, and we passed legislation to help ensure our constituents' access to safe and affordable drinking water. We continue that effort today with the markup of the Drinking Water System Improvement Act. Safe drinking water for our constituents is a goal that we all agree should be a priority of Congress. The work of previous congresses on this has produced policy that has made it a foregone conclusion and expectation that turning on the tap at your kitchen sink will fill up a glass with safe drinking water. But all policy needs to be tweaked occasionally because there is always room for improvement. With that I yield back. Thank you, Mr. Chairman.

[The prepared statement of Mr. Harper follows:]

*****COMMITTEE INSERT 5*****

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Mr. Shimkus. The Chair thanks the gentleman, and the gentleman yields back his time. The Chair now recognizes the Ranking Member of the full committee, again extending my thanks to Congressman Pallone for his help and assistance, and for 5 minutes.

Mr. Pallone. Thank you, Mr. Chairman. And I do want to thank you, Chairman Walden, and of course Ranking Member Tonko for all the work they did on this legislation to make it bipartisan. And I also want to say, which you know I feel very strongly that it is important that most, if not all, of the work that we do on legislation be done at the subcommittee level.

So I am glad that when we met we were able to get so many of the bipartisan initiatives and a lot of the work completed at the subcommittee level. There certainly is more that needs to be done when we get to full committee and that is fine. But I do want to continue to encourage the concept, and I know you agree that we try to get work done on our bills at the subcommittee level because that is where I think the work should be done.

The safety of our drinking water is an incredibly important topic which touches all of our constituents and I welcome this markup and the bipartisan work that has gone into it. Safe and clean drinking water is a basic necessity for everyone and yet the Safe Drinking Water Act has not been reauthorized for 20 years.

I am extremely hopeful that it is going to change this year beginning today with this subcommittee markup.

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When we held the legislative hearing on this discussion draft in May, there was general consensus that we needed a bipartisan effort to reauthorize the drinking water State Revolving Fund or SRF and I am pleased that you have responded by working with us to improve this bill and that you have pledged to keep working with us as the bill moves forward.

At the legislative hearing, I pointed out a number of concerns that I have with the old discussion draft and today I am pleased to say that progress has been made in addressing many of those concerns. In May, I said that the draft did not do enough to address the growing problem of lead in drinking water in homes and schools, and I am proud to say that bipartisan amendments that will be offered today will put in place provisions to quantify and reduce the risks from lead exposure at home and in schools.

In May, I voiced concern that the draft did nothing to improve transparency and restore consumer confidence in our tap water, and I am pleased to say that we have a commitment to address those issues as we move forward. I also pointed out in May that the discussion draft did not commit to increasing funding, but the bill before us today does include increased funds. It is not as much as we would like to see, but it is an increase over current authorizations, which is a distinct improvement.

As the bill moves forward, I expect that it will be further strengthened to address drinking water security issues and incentives for restructuring. I look forward to continuing to

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work with the GOP to produce a strong bipartisan bill that we can all support. We have worked together to strengthen this bill and I am hopeful that cooperation will continue as we prepare to move to full committee.

I do want to note, however, that there are important drinking water issues that are not likely to be addressed in this bill.

Specifically, there does not seem to be bipartisan appetite to strengthen the regulatory process under the Safe Drinking Water Act. I don't believe this process works and its failure puts public health at risk. I wish we could do more to improve the standard-setting process and protect the public health from new and emerging contaminants.

But nevertheless, I am confident that we are well on our way to producing a strong bipartisan bill that will address many of our drinking water challenges. And again I want to thank Ranking Member Tonko for being such a passionate and effective advocate for drinking water infrastructure for many years and acknowledge that all the Democratic members of the subcommittee who have worked tirelessly to highlight the need for drinking water legislation.

I don't think safe drinking water should be a partisan issue and I am glad that today it won't be. This is important legislation and I look forward, and we obviously will support it, and I yield back.

[The prepared statement of Mr. Pallone follows:]

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*****COMMITTEE INSERT 6*****

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Mr. Shimkus. The gentleman yields back his time. The Chair reminds members that pursuant to committee rules, all members' opening statement will be made part of the record. Are there any further opening statements? The chair recognizes the gentleman from Georgia for 3 minutes.

Mr. Carter. Thank you, Mr. Chairman.

Mr. Chairman, I want to thank you and my colleagues on the committee for your hard work on the Drinking Water System Improvement Act. With nearly 300 million people depending on community water systems around the country, this is not an issue we can afford to ignore.

While utility rates and user fees are able to generate necessary funds for maintenance, there are countless systems that require significant work. This legislation makes great strides in bringing this law up to date and modernizing data utilization and updates the revolving funds. It authorizes billions of dollars in much needed funds to help undertake projects that are vital to our country's drinking water needs and those of our constituents.

This bill also established best practices for state revolving loan funds, ensuring that valuable taxpayer funds are being utilized at their maximum potential. I want to applaud the chairman and all of my colleagues for their hard work on this bill and I hope that we can work collaboratively on this and other tough but important issues.

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Thank you, Mr. Chairman, and I yield back.

[The prepared statement of Mr. Carter follows:]

*****COMMITTEE INSERT 7*****

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Mr. Shimkus. The gentleman yields back his time. The Chair now recognizes the gentleman from California, Dr. Ruiz, for 3 minutes.

Mr. Ruiz. Thank you, Mr. Chairman. I am grateful to have worked on this bipartisan bill. Water is a fundamental element that we all need to survive. Therefore, having clean and safe drinking water regardless if you are rich or poor is a common good and therefore the responsibility of our democratic government to protect for all citizens.

The Flint water crisis drew national attention to the health risks of toxic metals in drinking water. Sadly, this tragedy is not unique and it is not new, especially in my district. Drinking water reserves across the country face contamination.

In my state of California, 85 percent of community water systems tap ground water sources to supplement their drinking water supply and deliver water to more than 30 million people.

But the state's ground water basins are contaminated by both naturally occurring toxins like arsenic and chromium-6 as well as human causes like septic systems. This kind of water contamination consumed chronically can cause development growth delays, stunting, cancer, cardiovascular disease, and kidney failure.

In the Coachella Valley, 10,000 of my constituents rely on well water, but all five of the Coachella Valley authority's wells have chromium-6 levels above the state's and public health

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standards. And well water systems in communities like Mecca and Thermal have arsenic levels that exceed safe standards. This is unacceptable.

I was pleased that earlier this year the Coachella Valley Water District announced a new Disadvantaged Communities Infrastructure Task Force to help improve access to safe drinking water for the 10,000 residents currently relying on contaminated wells. This is exactly the type of project that should be promoted through the State Revolving Fund or SRF and I want to make sure the statutes and regulations support these projects.

The SRF is a critical tool that enables water agencies to build treatment systems or remove aging septic systems. The Mission Springs Water District in my district has utilized more than \$10 million in SRF funds for its ground water protection project to remove more than 2,800 septic tanks and install more than 33 miles of sewer line. This project is critical to protecting the ground water supplies across the Coachella Valley in my district and may not have been possible without the SRF.

But not all communities have access to treated water systems. We must act to ensure our water delivery infrastructure is up to date and reaches every community in America. So I am pleased this committee has come together in a bipartisan way to draft this bipartisan legislation that will reauthorize the SRF and provide resources to communities that currently lack access to safe drinking water. Thank you, and I yield back my time.

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[The prepared statement of Mr. Ruiz follows:]

*****COMMITTEE INSERT 8*****

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Mr. Shimkus. The gentleman yields back his time. Is anyone seeking time on the majority side? Seeing none, the Chair recognizes the gentleman from California, Mr. Peters, for 3 minutes.

Mr. Peters. Thank you very much, Mr. Chairman. I am grateful for this opportunity to be here working with my colleagues in a bipartisan way on this important legislation.

And we are here today because we agree that every community deserves clean, safe, and affordable drinking water and this bill goes a long way toward protecting our drinking water systems from the threats of drought, industrial pollution, and cyber attack.

As we work to rebuild our crumbling national infrastructure we need to be focused on public safety and on our drinking water.

Last year, I visited Flint, Michigan and saw how the failure of its water infrastructure damaged the health and prosperity of an entire community. And in San Diego, California, we understand that drought-stricken communities are facing serious challenges to their long and short term water security.

So as we move this bill forward today, I look forward to continuing to work with my colleagues to provide communities with the guidance and the resources they need to innovate and to address weaknesses in their drinking water systems. Specifically, my Secure and Resilient Water Systems Act would direct water systems to assess the threats they face with federal guidance and would authorize grants for communities to close any funding shortfalls.

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We have to be vigilant and forward-looking about our infrastructure needs and water security in particular. I look forward to today's markup and continuing to work with you all and I yield back. Thank you.

[The prepared statement of Mr. Peters follows:]

*****COMMITTEE INSERT 9*****

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Mr. Shimkus. The gentleman yields back his time. The Chair now looking on the majority side, seeing none, the Chair recognizes the gentleman from Texas, Mr. Green, for 3 minutes.

Mr. Green. I want to thank the chairman and our ranking member for holding today's markup on legislation to reauthorize Safe Drinking Water Act.

The Safe Drinking Water Act is the federal government's primary vehicle for investing in the nation's drinking water infrastructure. Our subcommittee has held several hearings on this important law, hearing from water utilities, community organizations, and private citizens on the importance of Congress taking action to ensure that all Americans have access to clean drinking water regardless of income.

Increasing federal investment in drinking water will provide substantial benefits for public health and safety for the American people and create good paying jobs. This is particularly true for low income and unincorporated areas like I have in the 29th district in Houston, Harris County, Texas.

There are parts of our district do not have tax base to invite incorporation into the city of Houston or have resources to finance a multi-million dollar water systems. As a result, these areas are often left using aging water systems or ground water as their source of drinking water endangering the residents' health and safety. That is why I was pleased by several provisions in the Drinking Water System Improvement Act including

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increases in the authorization for the Drinking Water State Revolving Fund and increasing the amount of state assistance for disadvantaged communities.

I am also pleased to learn the willingness of the majority to work with me on our side of the aisle for providing assistance to incorporated areas and disadvantaged communities. Allowing disadvantaged communities to more easily pool resources to work more closely with larger water systems would go far to helping our district and low income communities throughout the country.

While I do not believe the draft under consideration is a finished product, it is moving in the right direction and I look forward to working with my colleagues on both sides of the aisle to getting this proposal where it can receive strong bipartisan support. And again I want to thank the members for all the cooperation we have seen on our subcommittee.

And, Mr. Chairman, again thank you, and I yield back my time.

[The prepared statement of Mr. Green follows:]

*****COMMITTEE INSERT 10*****

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Mr. Shimkus. The gentleman yields back his time. The Chair now recognizes the gentleman from Pennsylvania, Mr. Murphy, for 3 minutes.

Mr. Murphy. Thank you, Mr. Chairman. I wanted to ask that two letters be a part of the record. One is a letter to yourself and Mr. Walden and Mr. Pallone and Mr. Tonko, and that is from the American Iron and Steel Institute, the Alliance for American Manufacturing, Iron Ore Alliance, Specialty Steel Industry of North America, Concrete Reinforcing Steel Institute, United Steelworkers, and the Iron Mining Association.

And the second one is a letter from the Municipal Castings Association supporting the legislation on the Drinking Water Systems Improvement Act, in particular, the issue of buy American extending that for 5 years. I know you have worked very hard on this and I want to thank you for that.

I remember the hearing we had on this where one of the witnesses was talking about he wanted that lifted. But when I asked him if he was willing to forego American taxpayers' money so he could buy whatever he wants he didn't like that idea. And I think as long as we have taxpayers paying for this we ought to have the steel made in the United States by taxpayers as well.

So I ask these to be in the record and I thank you for your support of this bill.

[The prepared statement of Mr. Murphy follows:]

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*****COMMITTEE INSERT 11*****

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Mr. Shimkus. If the gentleman will hand me the letters so I can share that with the minority and, once they have given me approval, we will submit it for the record.

Mr. Murphy. Thank you, yield back.

Mr. Shimkus. The gentleman yields back his time. The Chair now recognizes the gentlelady from Michigan, Mrs. Dingell, for 3 minutes.

Mrs. Dingell. Thank you, Mr. Chairman. I want to thank Chairman Shimkus and Ranking Member Tonko for holding this important markup today on legislation to improve drinking water infrastructure in this country. Unfortunately, Michigan knows the importance of this as much as almost any other state in the country. I commend the leadership on both this subcommittee and the full committee for their commitment and hard work to find workable bipartisan solutions that address our drinking water infrastructure problems. It is good to see us all work together.

I deeply appreciate the commitment of the chairman to continue to work with the minority to include additional provisions as we move into the full committee. Specifically, this commitment includes working to include provisions of my legislation that would increase consumer drinking water notifications and help make consumer reports on drinking water easier for an everyday American to understand.

We have a crisis of confidence in our drinking water systems and consumers deserve clear and immediate notification and

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transparency when it comes to water quality. With 90 percent of Americans receiving their drinking water from a public drinking water system, it is our collective responsibility to provide strong funding authorizations for modernization and we must continue to find effective ways to keep the public informed on the quality of their drinking water.

In Michigan, the Flint water crisis still remains in all of our hearts and minds. We have to ensure that this doesn't happen again in any city in America. Recently, we had another scare in the Downrivers which I represent. The water turned black and muddy and you couldn't get good information and people didn't understand what was being said to them. This bill takes important steps to authorize significant funding to support grants for state drinking water programs, strengthen state revolving loan funds, and will provide an assessment for replacing all lead contaminated pipes across the country. With the inclusion of improved consumer notifications and consumer confidence reports, it is my hope we can prevent future drinking water crises.

Again I thank the chairman, the ranking member, and all of my colleagues on the Energy and Commerce Committee for making this a bipartisan effort. With the understanding that there is still more work that needs to be done, I, like my other colleagues, support today's bill and look forward to continuing our work together. Thank you.

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[The prepared statement of Mrs. Dingell follows:]

*****COMMITTEE INSERT 12*****

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Mr. Shimkus. The gentlelady yields back time. He thanks her for her work and her persistence and the issue for Flint, so we appreciate that. With seeing no other members looking for time, the Chair calls up -- oh, I am sorry. The Chair now recognizes our colleague from California, Ms. Matsui, for 3 minutes.

Ms. Matsui. Thank you, Mr. Chairman. I want to thank you and Chairman Walden and also Ranking Members Pallone and Tonko for working together on this important issue. We should all be able to come together to support funding for our clean drinking water and the State Revolving Fund.

As we know, the SRF has traditionally enjoyed support on both sides of the aisle. In so many of our districts, local governments depend on the SRF for one of the most basic services they provide: clean contaminate-free drinking water. As my colleagues have pointed out, this bill now includes funding levels for the reauthorization of the State Revolving Fund while the draft that we considered during the legislative hearing did not.

While I believe the \$21 billion authorized under Mr. Tonko's AQUA Act is more appropriate than what we are considering today, I am very pleased to see that this bill ramps up drinking water funding each year. Beyond funding levels, I am pleased that the bill directs the EPA to evaluate technologies that detect leaks and protect against water loss. In my district, the City of Sacramento is in the midst of a \$410 million effort to install residential smart water meters. As part of the project, the city

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is pursuing a \$170 million loan from California's drinking water State Revolving Fund for connected metering.

Smart meters have the potential to change the way that Sacramento and its residents manage our drinking water. As many of us are aware, drinking water systems leak almost six billion gallons of water every single day. That is a huge amount of waste, and every wasted drop is felt in California where we are prone to drought. We should be doing everything we can to minimize wasted water, and ensuring with effective technologies is critical.

I look forward to continuing to work with the committee on these kind of issues and thank you very much and I yield back.

[The prepared statement of Ms. Matsui follows:]

*****COMMITTEE INSERT 13*****

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Mr. Shimkus. The gentlelady yields back her time.

Without objection, the letters offered by Congressman Murphy are submitted for the record.

[The information follows.]

*****COMMITTEE INSERT 14*****

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Mr. Shimkus. The Chair calls up the Drinking Water Systems Improvement Act and asks the clerk to report.

[The Bill H.R. _____ follows:]

*****INSERT 15*****

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The Clerk. A discussion draft to amend the Safe Drinking Water Act to improve public water systems and enhance compliance with such act and for other purposes.

Mr. Shimkus. Without objection, the act is considered read. The first reading of the bill is dispensed with and the bill will be open for amendment at any point, so ordered. And the chair recognizes himself for 5 minutes to strike the last word.

Moving a serious reauthorization of any major environmental law like the Safe Drinking Water Act takes a lot of cooperation and willingness to talk issues out to see where common ground can be found. Yesterday, Chairman Walden and I had a really good conversation with Ranking Members Pallone and Tonko on provisions in the discussion draft. We talked about areas where we thought we can make progress today and places where we hope good faith talks might yield success in other areas.

Ultimately, we pledged that after the subcommittee completes its work today we would sit down and flesh out the issues and try to get to a place of mutual agreement on a few issues. Those areas include drinking water consumer notification issues, restructuring considerations by certain water systems, efforts to withstand major events that can substantially disrupt the ability of a water system to deliver safe drinking water, and help for small systems in the monitoring of certain contaminants.

I know these issues are of concern to many members, but I want

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to single out Mr. Tonko, Mr. Green, Mr. Peters, and Mrs. Dingell for their work on these issues.

Before we move to amendments, do other members wish to strike the last word? If no other members want to strike the last word, at this point the chair recognizes himself for the purpose of offering an amendment and the clerk will report the amendment.

[The Amendment offered by Mr. Shimkus follows:]

*****COMMITTEE INSERT 16*****

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The Clerk. Amendment to the discussion draft offered by Mr. Shimkus.

Mr. Shimkus. Without objection, the reading of the amendment is dispensed with and the Chair recognizes himself for 5 minutes in support of the amendment.

The amendment that I am offering has five separate elements to it and reflects a bipartisan agreement between myself, Chairman Walden, and Ranking Members Pallone and Tonko. First, the amendment requires EPA when conducting future national assessments of water system capital improvements to report on the cost to replace the inventory of lead service lines.

Second, the amendment requires the Government Accountability Office in collaboration with states, EPA, drinking water utilities, to issue a report to Congress on places where demonstrations of compliance with local and state environmental laws are substantially similar to those required by EPA to receive drinking water revolving loan funds.

Third, the amendment sets aside six percent of the funds provided to a state in its capitalization grant for use by economically disadvantaged communities. Should a state not have enough eligible requests for aid, the remaining funds would then be available for use by other communities rated as a funding priority for the state.

Fourth, the amendment places existing requirements regarding wage treatment of laborers and mechanics on drinking

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water loan funded construction projects into the Safe Drinking Water Act. This part of the amendment is not adding new or subtracting existing authorities of law. Finally, the amendment institutes a \$5 million program to remove drinking water fountains with lead from schools and daycare centers. The amendment also permits the funds to be used for monitoring and reporting of lead levels in school. The amendment gives priority to funding those communities with economic need. I urge all my members to support the amendment.

Is there further discussion of the amendment?

The Chairman. Mr. Chairman?

Mr. Shimkus. The chair recognizes the Chairman.

The Chairman. I can just work off your time if you want.

I just want to commend all the members of the committee for their due diligence on this and especially our leaders on the committee, you, certainly, and Mr. Tonko, and Mr. Pallone for getting us to this point. I think this is really solid progress and I look forward to moving forward, yield back.

Mr. Shimkus. The gentleman yields back the time and I yield back my time. The chair now recognizes the ranking member of the subcommittee, Mr. Tonko, for 5 minutes.

Mr. Tonko. Thank you, Mr. Chair. I move to strike the last word.

Mr. Shimkus. The gentleman is recognized.

Mr. Tonko. Thank you. Mr. Chair, I want to thank you and

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Chairman Walden and Ranker Pallone for the outstanding work that you have offered on behalf of this bill and the amendments, and thank you for your open approach to making the bill even better, so I appreciate that.

The en bloc amendments under consideration represent a good portion of the bipartisan agreement that was reached. This includes dropping the cross-cutter section from the draft. I am very concerned about potentially undermining federal environmental laws. An assessment of GAO is a better starting place to determine the effects of giving the EPA administrator this type of discretion.

I appreciate the provisions included in the draft on disadvantaged communities, but I am happy to see another provision included from the AQUA Act to create a minimum set-aside for disadvantaged communities of six percent. This will go a long way to ensure that states are providing funding to these financially distressed systems.

We said from the beginning that any credible bill had to include provisions to reduce lead in drinking water. We know that children are incredibly vulnerable to the effects of lead.

The grant program based on a bill authored by Mr. Pallone and Mr. Rush would help remove drinking water fountains containing lead from our schools. Sadly, a number of schools in my district have had elevated lead levels. At the very least we must help remove this harmful infrastructure which children, our children,

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are coming in direct contact with.

Finally, I want to express my strong support for expanding the scope of EPA's needs assessment. Many water utilities have stated their commitment to replacing lead service lines within 20 years. Coincidentally, that covers the time period of EPA's needs assessment. I am concerned that many systems are underestimating their needs within the next 2 decades by not accounting for these replacements or other emerging and costly expenses, such as the potential impacts of extreme weather and hydrological changes.

I want to make sure that EPA's needs assessment reflects the reality of what systems are being expected to do. This package reflects a real effort to address a number of concerns raised by members and witnesses at our hearings. And I know a number of other issues will be discussed where we have committed to working together to try to find agreement before the full committee.

Mrs. Dingell has been a leader on bringing more transparency to water quality reports which today are barely understandable.

Our constituents need to know whether their water is safe. I think it is appropriate to ask EPA to provide a better template to give our constituents the information they need and with greater frequency.

Mr. Peters has worked on a sensible bill to get systems to more accurately review their vulnerabilities. This includes

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security such as from the threat of a terrorist attack as well as improving resiliency in the face of changing hydrologic conditions and extreme weather. Mr. Green has discussed how we can get small and unsustainable systems to evaluate in what ways they may be able to restructure or use shared services to improve their long term financial viability.

Finally, in my view, if we are not able to work together on standard-setting issues we should continue discussing improvements to the unregulated contaminant monitoring rule. If we are not going to have improved federal standards, people should at least have testing done to empower states and water systems to take action on their own to ensure the safety of their drinking water.

In my backyard at Hoosick Falls, New York, people really do not know for how long their water was unsafe. It took a private citizen to pay for testing to sound the alarm. And sadly, these types of contamination are becoming increasingly common in Newburgh, in Horsham, in North Bennington, just a few communities of a growing number of communities dealing with PFOA and PFOS.

Additional testing will make sure more systems are not left unaware of an emerging contaminant in their water.

I think we have identified a universe of shared concerns. If we are able to address these issues between now and full committee, I am confident we will have a bill that members will be very proud to support. Again I thank you, Mr. Chair and the

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other leaders of this committee and subcommittee, and with that I yield back.

Mr. Shimkus. The gentleman yields back his time. Any other members seeking time? Seeing none, if there is no further discussion, the vote occurs on the en bloc amendment.

All those in favor shall signify by saying aye.

All those opposed, no.

The ayes have it, the amendment is agreed to.

Are there any other amendments? Seeing none, the question now occurs on forwarding the Drinking Water Systems Improvement Act, as amended, to the full committee.

All those in favor, say aye.

Those opposed, no.

The ayes appear to have it. The ayes have it, the bill is agreed to.

Without objection, the staff is authorized to make technical and conforming changes to this legislation approved by the Subcommittee today, so ordered. Without objection, the Chair thanks the members for their attendance. The Committee stands adjourned.

[Whereupon, at 10:49 a.m., the Subcommittee was adjourned.]