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SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT
COMMITTEE ON ENERGY AND COMMERCE
U.S. HOUSE OF REPRESENTATIVES

512 HOUSE ANNEX ONE
300 NEW JERSEY AVENUE, S.E.
WASHINGTON, D.C. 20515
TELEPHONE: (202) 226-7620
FAX: (202) 225-7092

Ron - pls see me re: this urgently did you ever touch base w/ these guys??

HENRY A. WAXMAN
CHAIRMAN

****

From the desk of:

PHIL BARNETT

BILL SCHULTZ

JULIA FORTIER

RIPLEY FORBES

GREG WETSTONE

KRISTEN EBELER

DEBBIE FINN

****

Attention: Katie McGinty

Organization: Office of Environmental Policy

Date:

FAX #: 456-6231

Telephone #:

Number of pages following cover sheet: 7

Message:
Congratulations on the new positions! And good luck!
Phil

(Enclosed please find the following information on stimulus investments we've been promoting: sent by:

1. Cover memo (1 page)
2. Summary of lead poisoning prevention investments (1 page)
3. Background on drinking water investments (5 pages))

MEMORANDUM

February 9, 1993

To: Katie McGinty
From: Greg Wetstone and Phil Barnett
Re: Economic Stimulus Package

We wanted to convey to you information about two EPA programs that the Administration should consider funding as part of an economic stimulus package.

The first program addresses lead poisoning, the most serious environmental threat to children. The top priorities here are $100 million to fund training of workers to identify and remove lead hazards from homes and schools and $100 million to fund the development of state programs to accredit training programs and license lead abatement contractors. These funds could provide training to 80,000 workers in FY 1993, according to EPA estimates.

The second program addresses drinking water contamination, which EPA has rated as one of the greatest (and most neglected) environmental threats to human health. The states have identified over $2.7 billion in drinking water projects that are "ready to go" with federal financial assistance. In addition, $100 million to fund state regulatory programs is urgently needed. These funds are essential to hold together a national drinking water program that experts agree is in danger of collapse.

A one-page summary of the lead program follows. We're also enclosing a five-page report by the Association of State Drinking Water Administrators on immediate capital improvement investments needed to provide safe drinking water. Please call us for any further information at 226-6720 (work) or 301-907-8230 (home, Greg) or 202-543-7631 (home, Phil).

LEAD POISONING PREVENTION

I. Background

Lead poisoning is the most serious environmental threat to young children. According to EPA estimates, 3 million young children -- nearly one in six -- have toxic levels of lead in their blood, impairing IQs, causing behavioral disorders, and stunting physical growth.

Late last year, Congress passed the Lead-Based Paint Hazard Reduction Act (tit. X of Pub. L. No. 102-550) to address the most common causes of lead poisoning -- exposure to lead paint, lead dust, and lead soil. Two key programs in the new law that would reduce lead exposure while creating tens of thousands of new jobs should be funded in FY 1993 as part of an economic stimulus package.

II. Economic Stimulus Investments

A. $100 Million in Training Grants. Demand for lead abatement is growing rapidly, spurred by CDC's call for universal screening of children, HUD abatement grants ($47.7 million awarded in 1992 and $90 million to be awarded in 1993), increased legal liability, and rising public awareness. The principal bottleneck is now the lack of trained workers. This bottleneck can be removed by providing $100 million in funding to EPA and NIOSH to make training grants authorized under the 1992 lead law.

B. $100 Million in State Grants. A safe and reliable lead inspection and abatement industry cannot function without governmental programs to accredit training providers and certify contractors. The 1992 lead law authorizes grants to states to promote the development of state programs (under the law, if states do not assume these regulatory responsibilities voluntarily, EPA must do so.) $100 million in grants in FY 1993 would effectively initiate these key state programs.

III. Benefits of a Lead Poisoning Prevention Program

A. Cost-Effective Protection of Children. In its "Strategic Plan for the Elimination of Childhood Lead Poisoning" (1991), CDC weighed the costs of a national effort to abate lead hazards versus the benefits to children. The CDC analysis concluded that over $2 in benefits (e.g., increased earning power and reduced special education costs due to increased childhood IQ) would be achieved for every $1 in expenditures.

B. Creation of Jobs. EPA staff have estimated that funding the programs outlined above would provide for the training of 80,000 workers in FY 1993. Once trained, these workers can find good jobs in the growing and labor-intensive lead abatement industry.

C. Environmental Justice. Lead poisoning strikes hardest in low-income, inner-city communities, where over half the young children may be lead poisoned. Federal investments in lead poisoning prevention would help correct this inequality, while providing jobs where they are needed most.

D. Safe Bridge Renovation. Over 75% of all bridges have lead paint. Administration plans to invest in bridge renovation will result in needless lead poisoning of workers and contamination of the environment unless the lead programs outlined above are funded simultaneously.

Summary of SDWA-Related Capital Improvement Projects Executable Within 12 Months

Prepared by
The Association of State Drinking Water Administrators
1911 North Fort Myer Drive, Suite 1100
Arlington, VA 22209
703-524-2428

February 9, 1993

Executive Summary

KEY FINDINGS

This document reports the results of a survey conducted by the Association of State Drinking Water Administrators (ASDWA) aimed at obtaining a preliminary understanding of the short-term needs for capital improvement projects related to meeting the requirements of the Safe Drinking Water Act (SDWA). In January 1993, thirty-five states supplied information on projects that are ready to be executed in the 1993 calendar-year. These project data were segregated over eight broad construction categories (defined below): Source, Storage & Reservoir, Distribution System, Lead Line Replacement, Treatment Plant, System Consolidation, Comprehensive Distribution, and Comprehensive Treatment. ASDWA's survey established the following key findings:

- For the responding states, the total cost for SDWA-related capital projects is $2.738 billion, and there are 1023 SDWA-related capital projects ready to be executed in the next twelve months. The construction projects reported in the survey represent a broad range of project scopes and expenditures.

- The number of jobs expected to be generated by a $2.738 billion capital expenditure is 125,926 (@ 46 jobs/$million), with a range from 76,651 (@ 28 jobs/$million) to 158,776 (@ 58 jobs/$million) jobs. These estimates were calculated based on ratios of jobs created per million dollars of infrastructure investment, which were reported in the 1992 study entitled *A Report on Clean Water Investment and Job Creation*, as well as a standard ratio used by the U.S. Department of Commerce. As a comparative measure of the impact of the potential job creation in SDWA-related infrastructure, the January 1993 Federal unemployment figures show a 0.2 percent decrease in the unemployment rate caused by 106,000 workers entering the workforce.

- The majority of expenditures (66 percent; see below for how this was calculated) would be for projects related to expanding SDWA treatment capacity, followed by expenditures for new and upgraded distribution systems (24 percent; see below for how this was calculated). All other construction categories totaled to 10 percent of total expenditures.

- Although expenditures for treatment far outweighed those for distribution systems (66 percent compared to 24 percent, respectively), these two categories each accounted for an equal numbers of projects (40 percent each). This implies that treatment projects are generally more complex and more expensive than projects involving distribution systems.

- There are two construction categories where expenditures are expected to increase significantly: Lead Line Replacement (pursuant to the Lead and Copper Rule) and System Consolidation. Currently, Lead Line Replacement comprises 1.6 percent of expenditures and System Consolidation 5.4 percent.

- The survey found that most of the treatment facility projects are intended to meet the requirements of the Surface Water Treatment Rule. As with the Surface Water Treatment Rule, numerous capital projects will be necessitated by the growing body of SDWA drinking water standards for Lead and Copper, Phase II and V Contaminants, and upcoming regulations on Radionuclides and Groundwater Disinfection and Disinfection By-Products. ASDWA believes that the construction projects reported in its survey represent the leading edge of long-term growth in the number of SDWA capital investments.

- ASDWA believes that this survey suggests that the short-term expenditures for SDWA infrastructure is much larger than $2.738 billion because of: a) the lack of data from 15 states; b) the absence of estimates for transaction and financing costs; and c) the burgeoning demand for capital improvement required by newly promulgated Federal regulations.

The aggregate expenditures for treatment projects described above was calculated by adding the costs in the construction categories of Treatment Plant and Comprehensive Treatment, described below. The aggregate expenditures for distribution systems described above was calculated by adding the costs in the construction categories of Distribution System, Lead Line Replacement, and Comprehensive Distribution, described below.

ABOUT THE SURVEY

ASDWA's members were asked to provide detailed information on the scope and cost of SDWA-related capital improvement projects that the state expects that it could execute in the calendar-year 1993. The survey instrument was prepared in January, 1993, and was sent to the 48 contiguous states (Alaska and Hawaii were not surveyed). The three attached charts, explained below, summarize the state responses to the survey.

I. *Survey of SDWA-Related Capital Improvement Projects Executable Within 12 Months By State ($ millions)*.

Thirty-five states submitted lists detailing the projects that are ready for award in the 1993 calendar-year. This chart summarizes for each state the number of projects and their total cost. The chart also presents data segregated over eight broad construction categories relevant to the SDWA. These categories are:

Source - These are projects aimed at developing new water sources or upgrading existing sources.

Storage & Reservoirs - These are projects aimed at constructing new or upgrading existing drinking water storage facilities or reservoirs.

Distribution System - These are projects aimed at constructing new distribution systems or upgrading existing systems.

Lead Line Replacement - These are projects aimed at replacing lead service lines, usually pursuant to the Lead and Copper Rule. These projects are distinct from those classified in the Distribution System and Comprehensive Distribution categories.

Treatment Plant - These are projects aimed at installing new treatment processes or upgrading existing treatment facilities. Projects in this category may involve more than one type of treatment process.

System Consolidation - These are projects aimed at consolidating small or private water systems or preventing the proliferation of small or private water systems.

Comprehensive Distribution - These are projects that involve activities under the category of Distribution System (as described above) AND are conducted with the following activities (as described above) in any combination: Source and Storage & Reservoir. The projects in this category are comprehensive efforts to construct new or upgrade existing distribution systems through activities in multiple construction categories and have not been double-counted in the Distribution System, Source, and Storage & Reservoir categories.

Comprehensive Treatment - These are projects that involve activities under the category of Treatment Plant (as described above) AND are conducted with the following activities (as described above) in any combination: Source, Storage & Reservoir, and Distribution System. Projects in this category may involve more than one type of treatment process. The projects in this category are comprehensive efforts to construct new or upgrade existing treatment facilities through activities in multiple construction categories and have not been double-counted in the Treatment Plant, Source, Storage & Reservoir, and Distribution System categories.

II. *Survey of SDWA-Related Capital Improvement Projects Executable Within 12 Months By EPA Region ($ millions).*

This presents the same data as the first chart, but summarizes the total number of projects and costs for each EPA Region.

III. *Selection of SDWA-Related Capital Improvement Projects Executable Within 12 Months.*

This chart presents more detailed information about a subset of the SDWA-related construction projects summarized in the previous two charts. The projects described in this chart are intended to represent a range of costs and activities. Each responding state has provided information for about five sample SDWA-related projects. For each project, the chart presents a brief project description, as well as information on the project's estimated cost and the county or municipality where the project would be undertaken.

♦ ♦ ♦

If you have any questions regarding this survey, please contact ASDWA at 703-524-2428. Many thanks to Michael Burke and the rest of the staff at the New York Bureau of Public Water Supply Protection for conducting the initial survey.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

February 9, 1993

TO: Katie McGinty
Deputy Assistant to the President and
Director of the White House Office on Environmental Policy

FROM: Mary Holland
Senior Policy Analyst, CEQ

SUBJECT: National Lead Poisoning Education Project

You should be aware that the Council on Environmental Quality, working with the Environmental Defense Fund and others, is planning to help launch a national media campaign on lead poisoning later this month. The campaign, conceived and developed under the auspices of the President's Commission on Environmental Quality, seeks to raise parents' awareness and to motivate them to call a federal hotline number (1-800-LEAD-FYI) for educational materials. The campaign is targeting a broad audience, with special attention to low-income, urban families.

A core campaign team has been working closely with staff at the Centers for Disease Control, the Environmental Protection Agency and other federal agencies as well as with a task force of several experts representing advocacy groups, pediatricians and industry. In addition, we have communicated with state and local health departments over the last several months to help prepare them for increased interest.

Young & Rubicam, a New York advertising agency, has created and produced television, radio and print public service announcements. In addition, the campaign has received funding from Home Box Office, the National Environmental Education and Training Foundation, Johnson & Johnson, Merck & Co. and Ronald Mc Donald Charities.

The campaign has the potential for high visibility; Time Warner, the major networks, the Urban Radio Network and Cadena Radio Centro are among the organizations who have already pledged public service announcement space or expressed great interest.

We would welcome the opportunity to brief you on the National Lead Education Project at your earliest convenience. We would also like to take the opportunity to invite you to join us at a Lead Poisoning Prevention Education Task Force meeting on Thursday, February 11, 2:00 p.m., at CEQ. This group of expert advisors will view the public service announcements and discuss the upcoming campaign.

I look forward to discussing the campaign with you. I can be reached at x5750.

cc: Dinah Bear

*** Alliance to End Childhood Lead Poisoning ***
*** Environmental Defense Fund * Laborers Health and Safety Fund ***
*** National Education Association * Natural Resources Defense Council ***
*** Physicians for Social Responsibility ***
*** United Brotherhood of Carpenters Health and Safety Fund ***

February 12, 1993

Ms. Katie McGinty
Deputy Assistant to the President on the Environment
and Director of the White House Office on Environmental Policy
Office of the Vice President
Old Executive Office Building
Room 286
17th Street, N.W.
Washington, D.C. 20500

Dear Ms. McGinty,

As you know, lead poisoning remains the number one environmental health threat to U.S. children, affecting the intellectual abilities of an estimated 10% to 15% of the nation's preschoolers. As representatives of public health, labor, education, and environmental groups, we are writing to urge you to take every possible step to ensure that programs to combat this entirely preventable disease are incorporated into the economic stimulus package that President Clinton is expected to release shortly.

Specifically, we urge inclusion of the following spending initiatives totalling $300 million:

* $100 million should be provided in federal grants to help states rapidly establish effective programs for certifying local lead abatement contractors and trainers, under the authority of section 402 of the Toxic Substances Control Act (added by Title X of the Housing and Community Development Act of 1992).

* $100 million should be provided for training of workers and supervisors in residential lead-based paint abatement jobs through NIOSH's training grants and centers and EPA's national training network, under the authority of section 22(g) of the Occupational Safety and Health Act (also added by Title X).

* $100 million of the funds directed toward bridge and highway repair should be reserved for training workers and supervisors in lead health and safety, under OSHAct section 22(g).

Expenditure of these funds meets the key criteria of capital expenditures that will help jump-start the nation's economy through job creation. Equally important, these investments provide an unparalleled opportunity to make timely expenditures on the essential next steps in lead poisoning prevention: establishing a workforce trained to abate lead hazards and creating state programs to ensure contractor quality control, protect workers, and safeguard consumers against fly-by-night operators who worsen lead hazards. Finally, this approach will ensure that economic-stimulus dollars invested in bridge repair will avoid triggering repeats of recent public health and environmental debacles arising from improper bridge work.

We would appreciate an opportunity to meet with you to discuss these and related issues pertaining to providing adequate resources for lead poisoning prevention activities. We will contact your office shortly to see if such a meeting can be scheduled.

Very truly yours,

Karen Florini

Environmental Defense Fund
Karen Florini, Toxics Program Chair
202/387-3500

on behalf of:

Alliance to End Childhood Lead Poisoning
Don Ryan, Executive Director
202/543-1147

Laborers Health and Safety Fund
John Moran, Director, Safety and Health
202/628-2596

National Education Association
Debra DeLee, Director of Government Relations
202/833-4000

Natural Resources Defense Council
Eirk Olson, Senior Attorney
202/783-7800

Physicians for Social Responsibility
Julia Moore, Executive Director
202/785-3777

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202/546-6206