Mr. DOMENICI. Parliamentary inquiry, is it appropriate that I speak for 2 minutes?

The PRESIDING OFFICER. Without objection, it is so ordered.

ONE OF MY BEST FRIENDS

Mr. DOMENICI. Mr. President, later on, pursuant to the wishes of our leader, I will have much more to say about Reverend Halverson. I considered him to be one of my best friends in the whole world, but more than that, he cared for a lot of people. He was a true Chaplain, not just up here, but in the Halls and byways and offices of this place with families, with people who work for the Senate from the lowest paid to the highest paid. He took care of them.

He was very, very sick, particularly the last 3 weeks. I talked to his wife, Doris, this morning, his son Steven. Chris, his other son, was not there. It is kind of wonderful to see their expressions, because they obviously believe and they are very, very confident he is very happy today and that he is in everlasting life. That is marvelous to see, because that is just the way he would want their faith to be.

So not only to that family, but to all his large family here and everywhere in this city, and other places that he served, I think I can join with all of them in saying very simply that we thank God Almighty for sending people like Dr. Halverson to us.

I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

A CONSTANT GOOD EXAMPLE—DR. RICHARD HALVERSON

Mr. CHAFEE. Mr. President, I think the words that we ''celebrate the life of Richard Halverson'' are appropriate. Richard Halverson, as has been pointed out, served as Chaplain here for 16 years.

As has been mentioned, he did not restrict his duties to just the opening prayer. He came to see us when we had difficulties. He was a constant mentor, as has previously been suggested, and a constant good example. He epitomized what leading the Christian life is all about.

So we have been blessed to have known him. His life is one we all should celebrate and try to emulate to the greatest extent possible. So to all of his family, we send our very best wishes at this extremely difficult time, and our deepest condolences.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho [Mr. KEMPTHORNE] is recognized.

OUR LIVES WERE ENRICHED BY DR. RICHARD HALVERSON

Mr. KEMPTHORNE. Mr. President, I join in the statements that have been made here this morning and say that our lives have been so enriched by Dr. Halverson. He was the U.S. Senate Chaplain, but he was a friend of the Senators of this institution.

In our roles, so often we need to have that camaraderie, that facilitator that can help us in finding that higher wisdom and the inner peace. Richard Halverson provided that to us. I know now that he has that inner peace, and we share, as has been stated in the blessings, having him as part of our lives here.

Our prayers are with him, as well as with Doris, Chris, and all of the family. We thank the Lord for providing him to us.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, briefly, I advise my colleagues that, as indicated, we will begin consideration of S. 1316, the Safe Drinking Water Act. It is also possible that during today's session the Senate will consider the VA–HUD appropriations conference report, if it is received from the House. I think it is fair to say that we will have rollcall votes. I understand that Senator CHAFEE will be indicating there are a number of amendments. Some will require rollcalls.

We hope to complete action on the Safe Drinking Water Act, if not late today, by some time late afternoon tomorrow. At that time, I hope to announce the schedule for the remainder of the week. It may be that there may be a pro forma session only on Friday, or, if possible, we could take up additional conference reports if received from the House.

I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

SAFE DRINKING WATER ACT AMENDMENTS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1316, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1316) to reauthorize and amend title XIV of the Public Health Service Act (commonly known as the ''Safe Drinking Water Act''), and for other purposes, which had been reported from the Committee on Environment and Public Works, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1316

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''Safe Drinking Water Act Amendments of 1995''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

(c) REFERENCES TO TITLE XIV OF THE PUBLIC HEALTH SERVICE ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title XIV of the Public Health Service Act (commonly known as the ''Safe Drinking Water Act'') (42 U.S.C. 300f et seq.).

SEC. 2. FINDINGS.

Congress finds that—

(1) safe drinking water is essential to the protection of public health;

(2) because the requirements of title XIV of the Public Health Service Act (commonly known as the ''Safe Drinking Water Act'') (42 U.S.C. 300f et seq.) now exceed the financial and technical capacity of some public water systems, especially many small public water systems, the Federal Government needs to provide assistance to communities to help the communities meet Federal drinking water requirements;

(3) the Federal Government commits to take steps to foster and maintain a genuine partnership with the States in the administration and implementation of the Safe Drinking Water Act;

(4) States play a central role in the implementation of safe drinking water programs, and States need increased financial resources and appropriate flexibility to ensure the prompt and effective development and implementation of drinking water programs;

(5) the existing process for the assessment and regulation of additional drinking water contaminants needs to be revised and improved to ensure that there is a sound scientific basis for drinking water regulations

and that the standards established address the health risks posed by contaminants;

(6) procedures for assessing the health effects of contaminants and establishing drinking water standards should be revised to provide greater opportunity for public education and participation;

(7) in setting priorities with respect to the health risks from drinking water to be addressed and in selecting the appropriate level of regulation for contaminants in drinking water, risk assessment and benefit-cost analysis are important and useful tools for improving the efficiency and effectiveness of drinking water regulations to protect human health;

(8) more effective protection of public health requires—

(A) a Federal commitment to set priorities that will allow scarce Federal, State, and local resources to be targeted toward the drinking water problems of greatest public health concern; and

(B) maximizing the value of the different and complementary strengths and responsibilities of the Federal and State governments in those States that have primary enforcement responsibility for the Safe Drinking Water Act; and

(9) compliance with the requirements of the Safe Drinking Water Act continues to be a concern at public water systems experiencing technical and financial limitations, and Federal, State, and local governments need more resources and more effective authority to attain the objectives of the Safe Drinking Water Act.

SEC. 3. STATE REVOLVING LOAN FUNDS.

The title (42 U.S.C. 300f et seq.) is amended by adding at the end the following:

"PART G—STATE REVOLVING LOAN FUNDS

"GENERAL AUTHORITY

"SEC. 1471. (a) CAPITALIZATION GRANT AGREEMENTS.—The Administrator shall offer to enter into an agreement with each State to make capitalization grants to the State pursuant to section 1472 (referred to in this part as 'capitalization grants') to establish a drinking water treatment State revolving loan fund (referred to in this part as a 'State loan fund').

"(b) REQUIREMENTS OF AGREEMENTS.—An agreement entered into pursuant to this section shall establish, to the satisfaction of the Administrator, that—

"(1) the State has established a State loan fund that complies with the requirements of this part;

"(2) the State loan fund will be administered by an instrumentality of the State that has the powers and authorities that are required to operate the State loan fund in accordance with this part;

"(3) the State will deposit the capitalization grants into the State loan fund;

"(4) the State will deposit all loan repayments received, and interest earned on the amounts deposited into the State loan fund under this part, into the State loan fund;

"(5) the State will deposit into the State loan fund an amount equal to at least 20 percent of the total amount of each payment to be made to the State on or before the date on which the payment is made to the State, except as provided in subsection (c)(4);

"(6) the State will use funds in the State loan fund in accordance with an intended use plan prepared pursuant to section 1474(b);

"(7) the State and loan recipients that receive funds that the State makes available from the State loan fund will use accounting procedures that conform to generally accepted accounting principles, auditing procedures that conform to chapter 75 of title 31, United States Code (commonly known as the 'Single Audit Act of 1984'), and such fiscal procedures as the Administrator may prescribe; and

"(8) the State has adopted policies and procedures to ensure that loan recipients are reasonably likely to be able to repay a loan.

"(c) ADMINISTRATION OF STATE LOAN FUNDS.—

"(1) IN GENERAL.—The authority to establish assistance priorities for financial assistance provided with amounts deposited into the State loan fund shall reside in the State agency that has primary responsibility for the administration of the State program under section 1413, after consultation with other appropriate State agencies (as determined by the State).

"(2) FINANCIAL ADMINISTRATION.—A State may combine the financial administration of the State loan fund pursuant to this part with the financial administration of a State water pollution control revolving fund established by the State pursuant to title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.), or other State revolving funds providing financing for similar purposes, if the Administrator determines that the grants to be provided to the State under this part, and the loan repayments and interest deposited into the State loan fund pursuant to this part, will be separately accounted for and used solely for the purposes of and in compliance with the requirements of this part.

"(3) TRANSFER OF FUNDS.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, a Governor of a State may—

"(i) reserve up to 50 percent of a capitalization grant made pursuant to section 1472 and add the funds reserved to any funds provided to the State pursuant to section 601 of the Federal Water Pollution Control Act (33 U.S.C. 1381); and

"(ii) reserve in any year a dollar amount up to the dollar amount that may be reserved under clause (i) for that year from capitalization grants made pursuant to section 601 of such Act (33 U.S.C. 1381) and add the reserved funds to any funds provided to the State pursuant to section 1472.

"(B) STATE MATCH.—Funds reserved pursuant to this paragraph shall not be considered to be a State match of a capitalization grant required pursuant to this title or the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.).

"(4) EXTENDED PERIOD.—Notwithstanding subsection (b)(5), a State shall not be required to deposit a State matching amount into the fund prior to the date on which each payment is made for payments from funds appropriated for fiscal years 1994, 1995, and 1996, if the matching amounts for the payments are deposited into the State fund prior to September 30, 1998.

"CAPITALIZATION GRANTS

"SEC. 1472. (a) GENERAL AUTHORITY.—The Administrator may make grants to capitalize State loan funds to a State that has entered into an agreement pursuant to section 1471.

"(b) FORMULA FOR ALLOTMENT OF FUNDS.—

"(1) IN GENERAL.—Subject to subsection (c) and paragraph (2), funds made available to carry out this part shall be allotted to States that have entered into an agreement pursuant to section 1471 in accordance with—

"(A) for each of fiscal years 1995 through 1997, a formula that is the same as the formula used to distribute public water system supervision grant funds under section 1443 in fiscal year 1995, except that the minimum proportionate share established in the formula shall be 1 percent of available funds and the formula shall be adjusted to include a minimum proportionate share for the State of Wyoming; and

"(B) for fiscal year 1998 and each subsequent fiscal year, a formula that allocates to each State the proportional share of the State needs identified in the most recent survey conducted pursuant to section 1475(c), except that the minimum proportionate share provided to each State shall be the same as the minimum proportionate share provided under subparagraph (A).

"(2) OTHER JURISDICTIONS.—The formula established pursuant to paragraph (1) shall reserve 0.5 percent of the amounts made available to carry out this part for a fiscal year for providing direct grants to the jurisdictions, other than Indian Tribes, referred to in subsection (f).

"(c) RESERVATION OF FUNDS FOR INDIAN TRIBES.—

"(1) IN GENERAL.—For each fiscal year, prior to the allotment of funds made available to carry out this part, the Administrator shall reserve 1.5 percent of the funds for providing financial assistance to Indian Tribes pursuant to subsection (f).

"(2) USE OF FUNDS.—Funds reserved pursuant to paragraph (1) shall be used to address the most significant threats to public health associated with public water systems that serve Indian Tribes, as determined by the Administrator in consultation with the Director of the Indian Health Service *and Indian Tribes*.

"(3) NEEDS ASSESSMENT.—The Administrator, in consultation with the Director of the Indian Health Service *and Indian Tribes*, shall, in accordance with a schedule that is consistent with the needs surveys conducted pursuant to section 1475(c), prepare surveys and assess the needs of drinking water treatment facilities to serve Indian Tribes, including an evaluation of the public water systems that pose the most significant threats to public health.

"(d) TECHNICAL ASSISTANCE FOR SMALL SYSTEMS.—

"(1) DEFINITIONS.—In this subsection:

"(A) SMALL SYSTEM.—The term 'small system' means a public water system that serves a population of 10,000 or fewer.

"(B) TECHNICAL ASSISTANCE.—The term 'technical assistance' means assistance provided by a State to a small system, including assistance to potential loan recipients and assistance for planning and design, development and implementation of a source water quality protection partnership program, alternative supplies of drinking water, restructuring or consolidation of a small system, and treatment to comply with a national primary drinking water regulation.

"(2) RESERVATION OF FUNDS.—To provide technical assistance pursuant to this subsection, each State may reserve from capitalization grants received in any year an amount that does not exceed the greater of—

"(A) an amount equal to 2 percent of the amount of the capitalization grants received by the State pursuant to this section; or

"(B) $300,000.

"(e) ALLOTMENT PERIOD.—

"(1) PERIOD OF AVAILABILITY FOR FINANCIAL ASSISTANCE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the sums allotted to a State pursuant to subsection (b) for a fiscal year shall be available to the State for obligation during the fiscal year for which the sums are authorized and during the following fiscal year.

"(B) FUNDS MADE AVAILABLE FOR FISCAL YEARS 1995 AND 1996.—The sums allotted to a State pursuant to subsection (b) from funds that are made available by appropriations for each of fiscal years 1995 and 1996 shall be available to the State for obligation during each of fiscal years 1995 through 1998.

"(2) REALLOTMENT OF UNOBLIGATED FUNDS.—Prior to obligating new allotments

made available to the State pursuant to subsection (b), each State shall obligate funds accumulated before a date that is 1 year prior to the date of the obligation of a new allotment from loan repayments and interest earned on amounts deposited into a State loan fund. The amount of any allotment that is not obligated by a State by the last day of the period of availability established by paragraph (1) shall be immediately reallotted by the Administrator on the basis of the same ratio as is applicable to sums allotted under subsection (b), except that the Administrator may reserve and allocate 10 percent of the remaining amount for financial assistance to Indian Tribes in addition to the amount allotted under subsection (c). None of the funds reallotted by the Administrator shall be reallotted to any State that has not obligated all sums allotted to the State pursuant to this section during the period in which the sums were available for obligation.

''(3) ALLOTMENT OF WITHHELD FUNDS.—All funds withheld by the Administrator pursuant to subsection (g) and section 1442(e)(3) shall be allotted by the Administrator on the basis of the same ratio as is applicable to funds allotted under subsection (b). None of the funds allotted by the Administrator pursuant to this paragraph shall be allotted to a State unless the State has met the requirements of section 1418(a).

''(f) DIRECT GRANTS.—

''(1) IN GENERAL.—The Administrator is authorized to make grants for the improvement of public water systems of Indian Tribes, the District of Columbia, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, and Guam and, if funds are appropriated to carry out this part for fiscal year 1995, the Republic of Palau.

''(2) ALASKA NATIVE VILLAGES.—In the case of a grant for a project under this subsection in an Alaska Native village, the Administrator is also authorized to make grants to the State of Alaska for the benefit of Native villages. An amount not to exceed 4 percent of the grant amount may be used by the State of Alaska for project management.

''(g) NEW SYSTEM CAPACITY.—Beginning in fiscal year 1999, the Administrator shall withhold the percentage prescribed in the following sentence of each capitalization grant made pursuant to this section to a State unless the State has met the requirements of section 1418(a). The percentage withheld shall be 5 percent for fiscal year 1999, 10 percent for fiscal year 2000, and 15 percent for each subsequent fiscal year.

''ELIGIBLE ASSISTANCE

''SEC. 1473. (a) IN GENERAL.—The amounts deposited into a State loan fund, including any amounts equal to the amounts of loan repayments and interest earned on the amounts deposited, may be used by the State to carry out projects that are consistent with this section.

''(b) PROJECTS ELIGIBLE FOR ASSISTANCE.—

''(1) IN GENERAL.—The amounts deposited into a State loan fund shall be used only for providing financial assistance for capital expenditures and associated costs (but excluding the cost of land acquisition unless the cost is incurred to acquire land for the construction of a treatment facility or for a consolidation project) for—

''(A) a project that will facilitate compliance with national primary drinking water regulations promulgated pursuant to section 1412;

''(B) a project that will facilitate the consolidation of public water systems or the use of an alternative source of water supply;

''(C) a project that will upgrade a drinking water treatment system; and

''(D) the development of a public water system to replace private drinking water supplies if the private water supplies pose a significant threat to human health.

''(2) OPERATOR TRAINING.—Associated costs eligible for assistance under this part include the costs of training and certifying the persons who will operate facilities that receive assistance pursuant to paragraph (1).

''(3) LIMITATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), no assistance under this part shall be provided to a public water system that—

''(i) does not have the technical, managerial, and financial capability to ensure compliance with the requirements of this title; and

''(ii) has a history of—

''(I) past violations of any maximum contaminant level or treatment technique established by a regulation or a variance; or

''(II) significant noncompliance with monitoring requirements or any other requirement of a national primary drinking water regulation or variance.

''(B) RESTRUCTURING.—A public water system described in subparagraph (A) may receive assistance under this part if—

''(i) the owner or operator of the system agrees to undertake feasible and appropriate changes in operations (including ownership, management, accounting, rates, maintenance, consolidation, alternative water supply, or other procedures) if the State determines that such measures are necessary to ensure that the system has the technical, managerial, and financial capability to comply with the requirements of this title over the long term; and

''(ii) the use of the assistance will ensure compliance.

''(c) ELIGIBLE PUBLIC WATER SYSTEMS.—A State loan fund*, or the Administrator in the case of direct grants under section 1472(f)*, may provide financial assistance only to community water systems, publicly owned water systems (other than systems owned by Federal agencies), and nonprofit noncommunity water systems.

''(d) TYPES OF ASSISTANCE.—Except as otherwise limited by State law, the amounts deposited into a State loan fund under this section may be used only—

''(1) to make loans, on the condition that—

''(A) the interest rate for each loan is less than or equal to the market interest rate, including an interest free loan;

''(B) principal and interest payments on each loan will commence not later than 1 year after completion of the project for which the loan was made, and each loan will be fully amortized not later than 20 years after the completion of the project, except that in the case of a disadvantaged community (as defined in subsection (e)(1)), a State may provide an extended term for a loan, if the extended term—

''(i) terminates not later than the date that is 30 years after the date of project completion; and

''(ii) does not exceed the expected design life of the project;

''(C) the recipient of each loan will establish a dedicated source of revenue for the repayment of the loan; and

''(D) the State loan fund will be credited with all payments of principal and interest on each loan;

''(2) to buy or refinance the debt obligation of a municipality or an intermunicipal or interstate agency within the State at an interest rate that is less than or equal to the market interest rate in any case in which a debt obligation is incurred after October 14, 1993, or to refinance a debt obligation for a project constructed to comply with a regulation established pursuant to an amendment to this title made by the Safe Drinking Water Act Amendments of 1986 (Public Law 99–339; 100 Stat. 642);

''(3) to guarantee, or purchase insurance for, a local obligation (all of the proceeds of which finance a project eligible for assistance under subsection (b)) if the guarantee or purchase would improve credit market access or reduce the interest rate applicable to the obligation;

''(4) as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the State if the proceeds of the sale of the bonds will be deposited into the State loan fund;

''(5) as a source of revenue or security for the payment of interest on a local obligation (all of the proceeds of which finance a project eligible for assistance under subsection (b)); and

''(6) to earn interest on the amounts deposited into the State loan fund.

''(e) ASSISTANCE FOR DISADVANTAGED COMMUNITIES.—

''(1) DEFINITION OF DISADVANTAGED COMMUNITY.—In this subsection, the term 'disadvantaged community' means the service area of a public water system that meets affordability criteria established after public review and comment by the State in which the public water system is located. The Administrator may publish information to assist States in establishing affordability criteria.

''(2) LOAN SUBSIDY.—Notwithstanding subsection (d), in any case in which the State makes a loan pursuant to subsection (d) to a disadvantaged community or to a community that the State expects to become a disadvantaged community as the result of a proposed project, the State may provide additional subsidization (including forgiveness of principal).

''(3) TOTAL AMOUNT OF SUBSIDIES.—For each fiscal year, the total amount of loan subsidies made by a State pursuant to paragraph (2) may not exceed 30 percent of the amount of the capitalization grant received by the State for the year.

''(f) SOURCE WATER QUALITY PROTECTION AND CAPACITY DEVELOPMENT.—

''(1) IN GENERAL.—Notwithstanding subsection (b)(1), a State may—

''(A) provide assistance, only in the form of a loan, to—

''(i) any public water system described in subsection (c) to acquire land or a conservation easement *from a willing seller or grantor*, if the purpose of the acquisition is to protect the source water of the system from contamination; or

''(ii) any community water system described in subsection (c) to provide funding in accordance with section 1419(d)(1)(C)(i);

''(B) provide assistance, including technical and financial assistance, to any public water system as part of a capacity development strategy developed and implemented in accordance with section 1418(c); and

''(C) make expenditures from the capitalization grant of the State for fiscal years 1996 and 1997 to delineate and assess source water protection areas in accordance with section 1419, except that funds set aside for such expenditure shall be obligated within 4 fiscal years.

''(2) LIMITATION.—For each fiscal year, the total amount of assistance provided and expenditures made by a State under this subsection may not exceed [10] *15* percent of the amount of the capitalization grant received by the State for that [year.] *year and may not exceed 10 percent of that amount for any one of the following activities:*

''(A) To acquire land or conservation easements pursuant to paragraph (1)(A)(i).

''(B) To provide funding to implement recommendations of source water quality protection partnerships pursuant to paragraph (1)(A)(ii).

''(C) To provide assistance through a capacity development strategy pursuant to paragraph (1)(B).

''(D) To make expenditures to delineate or assess source water protection areas pursuant to paragraph (1)(C).

''STATE LOAN FUND ADMINISTRATION

''SEC. 1474. (a) ADMINISTRATION, TECHNICAL ASSISTANCE, AND MANAGEMENT.—

''(1) ADMINISTRATION.—Each State that has a State loan fund is authorized to expend from the annual capitalization grant of the State a reasonable amount, not to exceed 4 percent of the capitalization grant made to the State, for the costs of the administration of the State loan fund.

''(2) STATE PROGRAM MANAGEMENT ASSISTANCE.—

''(A) IN GENERAL.—Each State that has a loan fund is authorized to expend from the annual capitalization grant of the State an amount, determined pursuant to this paragraph, to carry out the public water system supervision program under section 1443(a) and to—

''(i) administer, or provide technical assistance through, source water quality protection programs, including a partnership program under section 1419; and

''(ii) develop and implement a capacity development strategy under section 1418(c) in the State.

''(B) LIMITATION.—Amounts expended by a State pursuant to this paragraph for any fiscal year may not exceed an amount that is equal to the amount of the grant funds available to the State for that fiscal year under section 1443(a).

''(C) STATE FUNDS.—For any fiscal year, funds may not be expended pursuant to this paragraph unless the Administrator determines that the amount of State funds made available to carry out the public water system supervision program under section 1443(a) for the fiscal year is not less than the amount of State funds made available to carry out the program for fiscal year 1993.

''(b) INTENDED USE PLANS.—

''(1) IN GENERAL.—After providing for public review and comment, each State that has entered into a capitalization agreement pursuant to this part shall annually prepare a plan that identifies the intended uses of the amounts available to the State loan fund of the State.

''(2) CONTENTS.—An intended use plan shall include—

''(A) a list of the projects to be assisted in the first fiscal year that begins after the date of the plan, including a description of the project, the expected terms of financial assistance, and the size of the community served;

''(B) the criteria and methods established for the distribution of funds; and

''(C) a description of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund.

''(3) USE OF FUNDS.—

''(A) IN GENERAL.—An intended use plan shall provide, to the maximum extent practicable, that priority for the use of funds be given to projects that—

''(i) address the most serious risk to human health;

''(ii) are necessary to ensure compliance with the requirements of this title (including requirements for filtration); and

''(iii) assist systems most in need on a per household basis according to State affordability criteria.

''(B) LIST OF PROJECTS.—Each State shall, after notice and opportunity for public comment, publish and periodically update a list of projects in the State that are eligible for assistance under this part, including the priority assigned to each project and, to the extent known, the expected funding schedule for each project.

''STATE LOAN FUND MANAGEMENT

''SEC. 1475. (a) IN GENERAL.—Not later than 1 year after the date of enactment of this part, and annually thereafter, the Administrator shall conduct such reviews and audits as the Administrator considers appropriate, or require each State to have the reviews and audits independently conducted, in accordance with the single audit requirements of chapter 75 of title 31, United States Code.

''(b) STATE REPORTS.—Not later than 2 years after the date of enactment of this part, and every 2 years thereafter, each State that administers a State loan fund shall publish and submit to the Administrator a report on the activities of the State under this part, including the findings of the most recent audit of the State loan fund.

''(c) DRINKING WATER NEEDS SURVEY AND ASSESSMENT.—Not later than 1 year after the date of enactment of this part, and every 4 years thereafter, the Administrator shall submit to Congress a survey and assessment of the needs for facilities in each State eligible for assistance under this part. The survey and assessment conducted pursuant to this subsection shall—

''(1) identify, by State, the needs for projects or facilities owned or controlled by community water systems eligible for assistance under this part on the date of the assessment (other than refinancing for a project pursuant to section 1473(d)(2));

''(2) estimate the needs for eligible facilities over the 20-year period following the date of the assessment;

''(3) identify, by size category, the population served by public water systems with needs identified pursuant to paragraph (1); and

''(4) include such other information as the Administrator determines to be appropriate.

''(d) EVALUATION.—The Administrator shall conduct an evaluation of the effectiveness of the State loan funds through fiscal year 1999. The evaluation shall be submitted to Congress at the same time as the President submits to Congress, pursuant to section 1108 of title 31, United States Code, an appropriations request for fiscal year 2001 relating to the budget of the Environmental Protection Agency.

''ENFORCEMENT

''SEC. 1476. The failure or inability of any public water system to receive funds under this part or any other loan or grant program, or any delay in obtaining the funds, shall not alter the obligation of the system to comply in a timely manner with all applicable drinking water standards and requirements of this title.

''REGULATIONS AND GUIDANCE

''SEC. 1477. The Administrator shall publish such guidance and promulgate such regulations as are necessary to carry out this part, including guidance and regulations to ensure that—

''(1) each State commits and expends funds from the State loan fund in accordance with the requirements of this part and applicable Federal and State laws; and

''(2) the States and eligible public water systems that receive funds under this part use accounting procedures that conform to generally accepted accounting principles, auditing procedures that conform to chapter 75 of title 31, United States Code (commonly known as the 'Single Audit Act of 1984'), and such fiscal procedures as the Administrator may prescribe.

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 1478. (a) GENERAL AUTHORIZATION.—There are authorized to be appropriated to the Environmental Protection Agency to carry out this part $600,000,000 for fiscal year 1994 and $1,000,000,000 for each of fiscal years 1995 through 2003.

''(b) HEALTH EFFECTS RESEARCH.—From funds appropriated pursuant to this section for each fiscal year, the Administrator shall reserve $10,000,000 for health effects research on drinking water contaminants authorized by section 1442. In allocating funds made available under this subsection, the Administrator shall give priority to research concerning the health effects of cryptosporidium, disinfection byproducts, and arsenic, and the implementation of a research plan for subpopulations at greater risk of adverse effects pursuant to section 1442(l).

''(c) MONITORING FOR UNREGULATED CONTAMINANTS.—From funds appropriated pursuant to this section for each fiscal year beginning with fiscal year 1997, the Administrator shall reserve $2,000,000 to pay the costs of monitoring for unregulated contaminants under section 1445(a)(2)(D).

''(d) SMALL SYSTEM TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—Subject to paragraph (2), from funds appropriated pursuant to this section for each fiscal year for which the appropriation made pursuant to subsection (a) exceeds $800,000,000, the Administrator shall reserve to carry out section 1442(g) an amount that is equal to any amount by which the amount made available to carry out section 1442(g) is less than the amount referred to in the third sentence of section 1442(g).

''(2) MAXIMUM AMOUNT.—For each fiscal year, the amount reserved under paragraph (1) shall be not greater than an amount equal to the lesser of—

''(A) 2 percent of the funds appropriated pursuant to this section for the fiscal year; or

''(B) $10,000,000.''.

SEC. 4. SELECTION OF CONTAMINANTS; SCHEDULE.

(a) STANDARDS.—Section 1412(b) (42 U.S.C. 300g–1(b)) is amended by striking ''(b)(1)'' and all that follows through the end of paragraph (3) and inserting the following:

''(b) STANDARDS.—

''(1) IDENTIFICATION OF CONTAMINANTS FOR LISTING.—

''(A) GENERAL AUTHORITY.—The Administrator shall publish a maximum contaminant level goal and promulgate a national primary drinking water regulation for each contaminant (other than a contaminant referred to in paragraph (2) for which a national primary drinking water regulation has been promulgated as of the date of enactment of the Safe Drinking Water Act Amendments of 1995) if the Administrator determines, based on adequate data and appropriate peer-reviewed scientific information and an assessment of health risks, conducted in accordance with sound and objective scientific practices, that—

''(i) the contaminant may have an adverse effect on the health of persons; and

''(ii) the contaminant is known to occur or there is a substantial likelihood that the contaminant will occur in public water systems with a frequency and at levels of public health concern.

''(B) SELECTION AND LISTING OF CONTAMINANTS FOR CONSIDERATION.—

''(i) IN GENERAL.—Not later than July 1, [1996] *1997*, the Administrator (after consultation with the Secretary of Health and Human Services) shall publish and periodically, but not less often than every 5 years,

update a list of contaminants that are known or anticipated to occur in drinking water provided by public water systems and that may warrant regulation under this title.

''(ii) RESEARCH AND STUDY PLAN.—At such time as a list is published under clause (i), the Administrator shall describe available and needed information and research with respect to—

''(I) the health effects of the contaminants;

''(II) the occurrence of the contaminants in drinking water; and

''(III) treatment techniques and other means that may be feasible to control the contaminants.

''(iii) COMMENT.—The Administrator shall seek comment on each list and any research plan that is published from officials of State and local governments, operators of public water systems, the scientific community, and the general public.

''(C) DETERMINATION.—

''(i) IN GENERAL.—Except as provided in clause (ii), not later than July 1, 2001, and every 5 years thereafter, the Administrator shall take one of the following actions for not fewer than 5 contaminants:

''(I) Publish a determination that information available to the Administrator does not warrant the issuance of a national primary drinking water regulation.

''(II) Publish a determination that a national primary drinking water regulation is warranted based on information available to the Administrator, and proceed to propose a maximum contaminant level goal and national primary drinking water regulation not later than 2 years after the date of publication of the determination.

''(III) Propose a maximum contaminant level goal and national primary drinking water regulation.

''(ii) INSUFFICIENT INFORMATION.—If the Administrator determines that available information is insufficient to make a determination for a contaminant under clause (i), the Administrator may publish a determination to continue to study the contaminant. Not later than 5 years after the Administrator determines that further study is necessary for a contaminant pursuant to this clause, the Administrator shall make a determination under clause (i).

''(iii) ASSESSMENT.—The determinations under clause (i) shall be based on an assessment of—

''(I) the available scientific knowledge that is consistent with the requirements of paragraph (3)(A) and useful in determining the nature and extent of adverse effects on the health of persons that may occur due to the presence of the contaminant in drinking water;

''(II) information on the occurrence of the contaminant in drinking water; and

''(III) the treatment technologies, treatment techniques, or other means that may be feasible in reducing the contaminant in drinking water provided by public water systems.

''(iv) PRIORITIES.—In making determinations under this subparagraph, the Administrator shall give priority to those contaminants not currently regulated that are associated with the most serious adverse health effects and that present the greatest potential risk to the health of persons due to the presence of the contaminant in drinking water provided by public water systems.

''(v) REVIEW.—Each document setting forth the determination for a contaminant under clause (i) shall be available for public comment [before] *at such time as* the determination is published.

''(vi) JUDICIAL REVIEW.—Determinations made by the Administrator pursuant to clause (i)(I) shall be considered final agency actions for the purposes of section 1448. No determination under clause (i)(I) shall be set aside by a court pursuant to a review authorized under that section [or other law,] unless the court finds that the determination is arbitrary and capricious.

''(D) URGENT THREATS TO PUBLIC HEALTH.—The Administrator may promulgate an interim national primary drinking water regulation for a contaminant without listing the contaminant under subparagraph (B) or publishing a determination for the contaminant under subparagraph (C) to address an urgent threat to public health as determined by the Administrator after consultation with and written response to any comments provided by the Secretary of Health and Human Services, acting through the director of the Centers for Disease Control and Prevention or the director of the National Institutes of Health. A determination for any contaminant in accordance with subparagraph (C) subject to an interim regulation under this subparagraph shall be issued not later than 3 years after the date on which the regulation is promulgated and the regulation shall be repromulgated, or revised if appropriate, not later than 5 years after that date.

''(E) MONITORING DATA AND OTHER INFORMATION.—The Administrator may require, in accordance with section 1445(a)(2), the submission of monitoring data and other information necessary for the development of studies, research plans, or national primary drinking water regulations.

''(2) SCHEDULES AND DEADLINES.—

''(A) IN GENERAL.—In the case of the contaminants listed in the Advance Notice of Proposed Rulemaking published in volume 47, Federal Register, page 9352, and in volume 48, Federal Register, page 45502, the Administrator shall publish maximum contaminant level goals and promulgate national primary drinking water regulations—

''(i) not later than 1 year after June 19, 1986, for not fewer than 9 of the listed contaminants;

''(ii) not later than 2 years after June 19, 1986, for not fewer than 40 of the listed contaminants; and

''(iii) not later than 3 years after June 19, 1986, for the remainder of the listed contaminants.

''(B) SUBSTITUTION OF CONTAMINANTS.—If the Administrator identifies a drinking water contaminant the regulation of which, in the judgment of the Administrator, is more likely to be protective of public health (taking into account the schedule for regulation under subparagraph (A)) than a contaminant referred to in subparagraph (A), the Administrator may publish a maximum contaminant level goal and promulgate a national primary drinking water regulation for the identified contaminant in lieu of regulating the contaminant referred to in subparagraph (A). Substitutions may be made for not more than 7 contaminants referred to in subparagraph (A). Regulation of a contaminant identified under this subparagraph shall be in accordance with the schedule applicable to the contaminant for which the substitution is made.

''(C) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—

''(i) INFORMATION COLLECTION RULE.—

''(I) IN GENERAL.—Not later than December 31, 1995, the Administrator shall, after notice and opportunity for public comment, promulgate an information collection rule to obtain information that will facilitate further revisions to the national primary drinking water regulation for disinfectants and disinfection byproducts, including information on microbial contaminants such as cryptosporidium.

''(II) EXTENSION.—The Administrator may extend the deadline under subclause (I) for up to 180 days if the Administrator determines that progress toward approval of an appropriate analytical method to screen for cryptosporidium is sufficiently advanced and approval is likely to be completed within the additional time period.

''(ii) ADDITIONAL DEADLINES.—The time intervals between promulgation of a final information collection rule, an Interim Enhanced Surface Water Treatment Rule, a Final Enhanced Surface Water Treatment Rule, a Stage I Disinfectants and Disinfection Byproducts Rule, and a Stage II Disinfectants and Disinfection Byproducts Rule shall be in accordance with the schedule published in volume 59, Federal Register, page 6361 (February 10, 1994), in table III.13 of the proposed Information Collection Rule. If a delay occurs with respect to the promulgation of any rule in the timetable established by this subparagraph, all subsequent rules shall be completed as expeditiously as practicable subject to agreement by all the parties to the negotiated rulemaking, but no later than a revised date that reflects the interval or intervals for the rules in the timetable.

''(D) PRIOR REQUIREMENTS.—The requirements of subparagraphs (C) and (D) of section 1412(b)(3) (as in effect before the amendment made by section 4(a) of the Safe Drinking Water Act Amendments of 1995), and any obligation to promulgate regulations pursuant to such subparagraphs not promulgated as of the date of enactment of the Safe Drinking Water Act Amendments of 1995, are superseded by this paragraph and paragraph (1).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1412(a)(3) (42 U.S.C. 300g–1(a)(3)) is amended by striking ''paragraph (1), (2), or (3) of subsection (b)'' each place it appears and inserting ''paragraph (1) or (2) of subsection (b)''.

(2) Section 1415(d) (42 U.S.C. 300g–4(d)) is amended by striking ''section 1412(b)(3)'' and inserting ''section 1412(b)(7)(A)''.

SEC. 5. RISK ASSESSMENT, MANAGEMENT, AND COMMUNICATION.

Section 1412(b) (42 U.S.C. 300g–1(b)) (as amended by section 4) is further amended by inserting after paragraph (2) the following:

''(3) RISK ASSESSMENT, MANAGEMENT AND COMMUNICATION.—

''(A) USE OF SCIENCE IN DECISIONMAKING.—In carrying out this title, the Administrator shall use—

''(i) the best available, peer-reviewed science and supporting studies conducted in accordance with sound and objective scientific practices; and

''(ii) data collected by accepted methods or best available methods (if the reliability of the method and the nature of the decision justifies use of the data).

''(B) PUBLIC INFORMATION.—In carrying out this section, the Administrator shall ensure that the presentation of information on public health effects is comprehensive, informative and understandable. The Administrator shall, in a document made available to the public in support of a regulation promulgated under this section, specify, to the extent practicable—

''(i) each population addressed by any estimate of public health effects;

''(ii) the expected risk or central estimate of risk for the specific populations;

''(iii) each appropriate upper-bound or lower-bound estimate of risk;

''(iv) each uncertainty identified in the process of the assessment of public health effects and research that would assist in resolving the uncertainty; and

''(v) peer-reviewed studies known to the Administrator that support, are directly relevant to, or fail to support any estimate of public health effects and the methodology

used to reconcile inconsistencies in the scientific data.

''(C) HEALTH RISK REDUCTION AND COST ANALYSIS.—

''(i) MAXIMUM CONTAMINANT LEVELS.—Not later than 90 days prior to proposing any national primary drinking water regulation that includes a maximum contaminant level, the Administrator shall, with respect to a maximum contaminant level that would be considered in accordance with paragraph (4) in a proposed regulation and each alternative maximum contaminant level that would be considered in a proposed regulation pursuant to paragraph (5) or (6)(A), publish, seek public comment on, and use for the purposes of paragraphs (4), (5), and (6) an analysis of—

''(I) the health risk reduction benefits (including non-quantifiable health benefits identified and described by the Administrator, except that such benefits shall not be used by the Administrator for purposes of determining whether a maximum contaminant level is or is not justified unless there is a factual basis in the rulemaking record to conclude that such benefits are likely to occur) expected as the result of treatment to comply with each level;

''(II) the health risk reduction benefits (including non-quantifiable health benefits identified and described by the Administrator, except that such benefits shall not be used by the Administrator for purposes of determining whether a maximum contaminant level is or is not justified unless there is a factual basis in the rulemaking record to conclude that such benefits are likely to occur) expected from reductions in co-occurring contaminants that may be attributed solely to compliance with the maximum contaminant level, excluding benefits resulting from compliance with other proposed or promulgated regulations;

''(III) the costs (including non-quantifiable costs identified and described by the Administrator, except that such costs shall not be used by the Administrator for purposes of determining whether a maximum contaminant level is or is not justified unless there is a factual basis in the rulemaking record to conclude that such costs are likely to occur) expected solely as a result of compliance with the maximum contaminant level, including monitoring, treatment, and other costs and excluding costs resulting from compliance with other proposed or promulgated regulations;

''(IV) the incremental costs and benefits associated with each alternative maximum contaminant level considered;

''(V) the effects of the contaminant on the general population and on groups within the general population such as infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations that are identified as likely to be at greater risk of adverse health effects due to exposure to contaminants in drinking water than the general population;

''(VI) any increased health risk that may occur as the result of compliance, including risks associated with co-occurring contaminants; and

''(VII) other relevant factors, including the quality and extent of the information, the uncertainties in the analysis supporting subclauses (I) through (VI), and factors with respect to the degree and nature of the risk.

''(ii) TREATMENT TECHNIQUES.—Not later than 90 days prior to proposing a national primary drinking water regulation that includes a treatment technique in accordance with paragraph (7)(A), the Administrator shall publish and seek public comment on an analysis of the health risk reduction benefits and costs likely to be experienced as the result of compliance with the treatment technique and alternative treatment techniques that would be considered in a proposed regulation, taking into account, as appropriate, the factors described in clause (i).

''(iii) APPROACHES TO MEASURE AND VALUE BENEFITS.—The Administrator may identify valid approaches for the measurement and valuation of benefits under this subparagraph, including approaches to identify consumer willingness to pay for reductions in health risks from drinking water contaminants.

''(iv) FORM OF NOTICE.—Whenever a national primary drinking water regulation is expected to result in compliance costs greater than $75,000,000 per year, the Administrator shall provide the notice required by clause (i) or (ii) through an advanced notice of proposed rulemaking.

''(v) AUTHORIZATION.—There are authorized to be appropriated to the Administrator, acting through the Office of Ground Water and Drinking Water, to conduct studies, assessments, and analyses in support of regulations or the development of methods, $35,000,000 for each of fiscal years 1996 through 2003.''.

SEC. 6. STANDARD-SETTING; REVIEW OF STANDARDS.

(a) IN GENERAL.—Section 1412(b) (42 U.S.C. 300g–1(b)) is amended—

(1) in paragraph (4)—

(A) by striking ''(4) Each'' and inserting the following:

''(4) GOALS AND STANDARDS.—

''(A) MAXIMUM CONTAMINANT LEVEL GOALS.—Each'';

(B) in subparagraph (A) (as so designated), by inserting after the first sentence the following: ''The maximum contaminant level goal for contaminants that are known or likely to cause cancer in humans may be set at a level other than zero, if the Administrator determines, based on the best available, peer-reviewed science, that there is a threshold level below which there is unlikely to be any increase in cancer risk and the Administrator sets the maximum contaminant level goal at that level with an adequate margin of safety.'';

(C) in the last sentence—

(i) by striking ''Each national'' and inserting the following:

''(B) MAXIMUM CONTAMINANT LEVELS.— Except as provided in paragraphs (5) and (6), each national''; and

(ii) by striking ''maximum level'' and inserting ''maximum contaminant level''; and

(D) by adding at the end the following:

''(C) DETERMINATION.—At the time the Administrator proposes a national primary drinking water regulation under this paragraph, the Administrator shall publish a determination as to whether the benefits of the maximum contaminant level justify, or do not justify, the costs based on the analysis conducted under paragraph (3)(C).'';

(2) by striking ''(5) For the'' and inserting the following:

''(D) DEFINITION OF FEASIBLE.—For the'';

(3) in the second sentence of paragraph (4)(D) (as so designated), by striking ''paragraph (4)'' and inserting ''this paragraph'';

(4) by striking ''(6) Each national'' and inserting the following:

''(E) FEASIBLE TECHNOLOGIES.—Each national'';

(5) in paragraph (4)(E) (as so designated), by striking ''this paragraph'' and inserting ''this subsection''; and

(6) by inserting after paragraph (4) (as so amended) the following:

''(5) ADDITIONAL HEALTH RISK CONSIDERATIONS.—

''(A) IN GENERAL.—Notwithstanding paragraph (4), the Administrator may establish a maximum contaminant level for a contaminant at a level other than the feasible level, if the technology, treatment techniques, and other means used to determine the feasible level would result in an increase in the health risk from drinking water by—

''(i) increasing the concentration of other contaminants in drinking water; or

''(ii) interfering with the efficacy of drinking water treatment techniques or processes that are used to comply with other national primary drinking water regulations.

''(B) ESTABLISHMENT OF LEVEL.—If the Administrator establishes a maximum contaminant level or levels or requires the use of treatment techniques for any contaminant or contaminants pursuant to the authority of this paragraph—

''(i) the level or levels or treatment techniques shall minimize the overall risk of adverse health effects by balancing the risk from the contaminant and the risk from other contaminants the concentrations of which may be affected by the use of a treatment technique or process that would be employed to attain the maximum contaminant level or levels; and

''(ii) the combination of technology, treatment techniques, or other means required to meet the level or levels shall not be more stringent than is feasible (as defined in paragraph (4)(D)).

''(6) ADDITIONAL HEALTH RISK REDUCTION AND COST CONSIDERATIONS.—

''(A) IN GENERAL.—Notwithstanding paragraph (4), if the Administrator determines based on an analysis conducted under paragraph (3)(C) that the benefits of a maximum contaminant level promulgated in accordance with paragraph (4) would not justify the costs of complying with the level, the Administrator may, after notice and opportunity for public comment, promulgate a maximum contaminant level for the contaminant that maximizes health risk reduction benefits at a cost that is justified by the benefits.

''(B) EXCEPTION.—The Administrator shall not use the authority of this paragraph to promulgate a maximum contaminant level for a contaminant, if the benefits of compliance with a national primary drinking water regulation for the contaminant that would be promulgated in accordance with paragraph (4) experienced by—

''(i) persons served by large public water systems; and

''(ii) persons served by such other systems as are unlikely, based on information provided by the States, to receive a variance under section 1415(e);

would justify the costs to the systems of complying with the regulation. This subparagraph shall not apply if the contaminant is found almost exclusively in small systems (as defined in section 1415(e)).

''(C) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—The Administrator may not use the authority of this paragraph to establish a maximum contaminant level in a Stage I or Stage II national primary drinking water regulation for contaminants that are disinfectants or disinfection byproducts (as described in paragraph (2)), or to establish a maximum contaminant level or treatment technique requirement for the control of cryptosporidium. The authority of this paragraph may be used to establish regulations for the use of disinfection by systems relying on ground water sources as required by paragraph (8).

''(D) JUDICIAL REVIEW.—A determination by the Administrator that the benefits of a maximum contaminant level or treatment requirement justify or do not justify the costs of complying with the level shall be reviewed by the court pursuant to section 1448 only as part of a review of a final national primary drinking water regulation that has

been promulgated based on the determination and shall not be set aside by the court under that section, unless the court finds that the determination is arbitrary and capricious.''.

(b) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—The Administrator of the Environmental Protection Agency may use the authority of section 1412(b)(5) of the Public Health Service Act (as amended by subsection (a)) to promulgate the Stage I rulemaking for disinfectants and disinfection byproducts as proposed in volume 59, Federal Register, page 38668 (July 29, 1994). Unless new information warrants a modification of the proposal as provided for in the ''Disinfection and Disinfection Byproducts Negotiated Rulemaking Committee Agreement'', nothing in such section shall be construed to require the Administrator to modify the provisions of the rulemaking as proposed.

(c) REVIEW OF STANDARDS.—Section 1412(b) (42 U.S.C. 300g–1(b)) is amended by striking paragraph (9) and inserting the following:

''(9) REVIEW AND REVISION.—The Administrator shall, not less often than every 6 years, review and revise, as appropriate, each national primary drinking water regulation promulgated under this title. Any revision of a national primary drinking water regulation shall be promulgated in accordance with this section, except that each revision shall maintain or provide for greater protection of the health of persons.''.

SEC. 7. ARSENIC.

Section 1412(b) (42 U.S.C. 300g–1(b)) is amended by adding at the end the following:

''(12) ARSENIC.—

''(A) SCHEDULE AND STANDARD.—Notwithstanding paragraph (2), the Administrator shall promulgate a national primary drinking water regulation for arsenic in accordance with the schedule established by this paragraph and pursuant to this subsection.

''(B) RESEARCH PLAN.—Not later than 180 days after the date of enactment of this paragraph, the Administrator shall develop a comprehensive plan for research in support of drinking water rulemaking to reduce the uncertainty in assessing health risks associated with exposure to low levels of arsenic. The Administrator shall consult with the Science Advisory Board established by section 8 of the Environmental Research, Development, and Demonstration Act of 1978 (42 U.S.C. 4365), other Federal agencies, and interested public and private entities.

''(C) RESEARCH PROJECTS.—The Administrator shall carry out the research plan, taking care to avoid duplication of other research in progress. The Administrator may enter into cooperative research agreements with other Federal agencies, State and local governments, and other interested public and private entities to carry out the research plan.

''(D) ASSESSMENT.—Not later than 3½ years after the date of enactment of this paragraph, the Administrator shall review the progress of the research to determine whether the health risks associated with exposure to low levels of arsenic are sufficiently well understood to proceed with a national primary drinking water regulation. The Administrator shall consult with the Science Advisory Board, other Federal agencies, and other interested public and private entities as part of the review.

''(E) PROPOSED REGULATION.—The Administrator shall propose a national primary drinking water regulation for arsenic not later than January 1, 2000.

''(F) FINAL REGULATION.—Not later than January 1, 2001, after notice and opportunity for public comment, the Administrator shall promulgate a national primary drinking water regulation for arsenic.''.

SEC. 8. RADON.

Section 1412(b) (42 U.S.C. 300g–1(b)) (as amended by section 7) is further amended by adding at the end the following:

''(13) RADON IN DRINKING WATER.—

''(A) REGULATION.—Notwithstanding paragraph (2), not later than 180 days after the date of enactment of this paragraph, the Administrator shall promulgate a national primary drinking water regulation for radon.

''(B) MAXIMUM CONTAMINANT LEVEL.—Notwithstanding any other provision of law, the regulation shall provide for a maximum contaminant level for radon of 3,000 picocuries per liter.

''(C) REVISION.—

''(i) IN GENERAL.—Subject to clause (ii), a revision to the regulation promulgated under subparagraph (A) may be made pursuant to this subsection. *The revision may include a maximum contaminant level less stringent than 3,000 picocuries per liter as provided in paragraphs (4) and (9) or a maximum contaminant level more stringent than 3,000 picocuries per liter as provided in clause (ii).*

''(ii) MAXIMUM CONTAMINANT LEVEL.—

''(I) CRITERIA FOR REVISION.—The Administrator shall not revise the maximum contaminant level for radon to a more stringent level than the level established under subparagraph (B) unless—

''(aa) the revision is made to reflect consideration of risks from the ingestion of radon in drinking water and episodic uses of drinking water;

''(bb) the revision is supported by peer-reviewed scientific studies conducted in accordance with sound and objective scientific practices; and

''(cc) based on the studies, the National Academy of Sciences and the Science Advisory Board, established by section 8 of the Environmental Research, Development, and Demonstration Act of 1978 (42 U.S.C. 4365), consider a revision of the maximum contaminant level to be appropriate.

''(II) AMOUNT OF REVISION.—If the Administrator determines to revise the maximum contaminant level for radon in accordance with subclause (I), the maximum contaminant level shall be revised to a level that is no more stringent than is necessary to reduce risks to human health from radon in drinking water to a level that is equivalent to risks to human health from radon in outdoor air based on the national average concentration of radon in outdoor air.''.

SEC. 9. SULFATE.

Section 1412(b) (42 U.S.C. 300g–1(b)) (as amended by section 8) is further amended by adding at the end the following:

''(14) SULFATE.—

''(A) IN GENERAL.—In the absence of scientific evidence suggesting new or more serious health effects than are suggested by the evidence available on the date of enactment of this paragraph, for the purposes of promulgation of a national primary drinking water regulation for sulfate, notwithstanding the requirements of paragraphs (4) and (7), the Administrator shall specify in the regulation—

''(i) a requirement for best technology or other means under this subsection; and

''(ii) requirements for public notification and options for the provision of alternative water supplies to populations at risk as an alternative means of complying with the regulation.

''(B) SCHEDULE.—Notwithstanding paragraph (2), the regulation referred to in subparagraph (A) shall be promulgated not later than 2 years after the date of enactment of this paragraph.

''(C) AUTHORITY.—Paragraph (6) shall apply to the national primary drinking water regulation for sulfate first promulgated after the date of enactment of this paragraph only if the Administrator reproposes the national primary drinking water regulation for sulfate after that date based on evidence suggesting new or more serious health effects as described in subparagraph (A).

''(D) EFFECT ON OTHER LAWS.—

''(i) FEDERAL LAWS.—Notwithstanding part C, section 311 of the Federal Water Pollution Control Act (33 U.S.C. 1321), subtitle C or D of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.), or section 107 or 121(d) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607 and 9621(d)), no national primary drinking water regulation for sulfate shall be—

''(I) used as a standard for determining compliance with any provision of any law other than this subsection;

''(II) used as a standard for determining appropriate cleanup levels or whether cleanup should be undertaken with respect to any facility or site;

''(III) considered to be an applicable or relevant and appropriate requirement for any such cleanup; or

''(IV) used for the purpose of defining injury to a natural resource;

unless the Administrator, by rule and after notice and opportunity for public comment, determines that the regulation is appropriate for a use described in subclause (I), (II), (III), or (IV).

''(ii) STATE LAWS.—This subparagraph shall not affect any requirement of State law, including the applicability of any State standard similar to the regulation published under this paragraph as a standard for any cleanup action, compliance action, or natural resource damage action taken pursuant to such a law.''.

SEC. 10. FILTRATION AND DISINFECTION.

(a) FILTRATION TECHNOLOGY FOR SMALL SYSTEMS.—Section 1412(b)(7)(C) (42 U.S.C. 300g–1(b)(7)(C)) is amended by adding at the end the following:

''(v) FILTRATION TECHNOLOGY FOR SMALL SYSTEMS.—At the same time as the Administrator proposes an Interim Enhanced Surface Water Treatment Rule pursuant to paragraph (2)(C)(ii), the Administrator shall propose a regulation that describes treatment techniques that meet the requirements for filtration pursuant to this subparagraph and are feasible for community water systems serving a population of 3,300 or fewer and noncommunity water systems.''.

(b) GROUND WATER DISINFECTION.—The first sentence of section 1412(b)(8) (42 U.S.C. 300g–1(b)(8)) is amended—

(1) by striking ''Not later than 36 months after the enactment of the Safe Drinking Water Act Amendments of 1986, the Administrator shall propose and promulgate'' and inserting [''At the time that] *At any time after the end of the 3-year period that begins on the date of enactment of the Safe Drinking Water Act Amendments of 1995 but not later than the date on which* the Administrator promulgates a Stage II rulemaking for disinfectants and disinfection byproducts (as described in paragraph (2)), the Administrator shall also promulgate''; and

(2) by striking the period at the end and inserting the following: '', including surface water systems and, as necessary, ground water systems. After consultation with the States, the Administrator shall (as part of the regulations) promulgate criteria that the Administrator, or a State that has primary enforcement responsibility under section 1413, shall apply to determine whether disinfection shall be required as a treatment technique for any public water system served by ground water.''.

SEC. 11. EFFECTIVE DATE FOR REGULATIONS.

Section 1412(b) (42 U.S.C. 300g–1(b)) is amended by striking paragraph (10) and inserting the following:

''(10) EFFECTIVE DATE.—A national primary drinking water regulation promulgated under this section shall take effect on the date that is 3 years after the date on which the regulation is promulgated unless the Administrator determines that an earlier date is practicable, except that the Administrator, or a State in the case of an individual system, may allow up to 2 additional years to comply with a maximum contaminant level or treatment technique if the Administrator or State determines that additional time is necessary for capital improvements.''.

SEC. 12. TECHNOLOGY AND TREATMENT TECHNIQUES; TECHNOLOGY CENTERS.

(a) SYSTEM TREATMENT TECHNOLOGIES.—Section 1412(b) (42 U.S.C. 300g–1(b)) (as amended by section 9) is further amended by adding at the end the following:

''(15) SYSTEM TREATMENT TECHNOLOGIES.—

''(A) GUIDANCE OR REGULATIONS.—

''(i) IN GENERAL.—At the same time as the Administrator promulgates a national primary drinking *water* regulation pursuant to this section, the Administrator shall issue guidance or regulations describing all treatment technologies for the contaminant that is the subject of the regulation that are feasible with the use of best technology, treatment techniques, or other means that the Administrator finds, after examination for efficacy under field conditions and not solely under laboratory conditions, are available taking cost into consideration for public water systems serving—

''(I) a population of 10,000 or fewer but more than 3,300;

''(II) a population of 3,300 or fewer but more than 500; and

''(III) a population of 500 or fewer but more than 25.

''(ii) CONTENTS.—The guidance or regulations shall identify the effectiveness of the technology, the cost of the technology, and other factors related to the use of the technology, including requirements for the quality of source water to ensure adequate protection of human health, considering removal efficiencies of the technology, and installation and operation and maintenance requirements for the technology.

''(iii) LIMITATION.—The Administrator shall not issue guidance or regulations for a technology under this paragraph unless the technology adequately protects human health, considering the expected useful life of the technology and the source waters available to systems for which the technology is considered to be feasible.

''(B) REGULATIONS AND GUIDANCE.—Not later than 2 years after the date of enactment of this paragraph and after consultation with the States, the Administrator shall issue guidance or regulations under subparagraph (A) for each national primary drinking water regulation promulgated prior to the date of enactment of this paragraph for which a variance may be granted under section 1415(e). The Administrator may, at any time after a national primary drinking water regulation has been promulgated, issue guidance or regulations describing additional or new or innovative treatment technologies that meet the requirements of subparagraph (A) for public water systems described in subparagraph (A)(i) that are subject to the regulation.

''(C) NO SPECIFIED TECHNOLOGY.—A description under subparagraph (A) of the best technology or other means available shall not be considered to require or authorize that the specified technology or other means be used for the purpose of meeting the requirements of any national primary drinking water regulation.''.

(b) TECHNOLOGIES AND TREATMENT TECHNIQUES FOR SMALL SYSTEMS.—Section 1412(b)(4)(E) (as amended by section 6(a)) is further amended by adding at the end the following: ''The Administrator shall include in the list any technology, treatment technique, or other means that is feasible for small public water systems serving—

''(i) a population of 10,000 or fewer but more than 3,300;

''(ii) a population of 3,300 or fewer but more than 500; and

''(iii) a population of 500 or fewer but more than 25;

and that achieves compliance with the maximum contaminant level, including packaged or modular systems and point-of-entry treatment units that are controlled by the public water system to ensure proper operation and maintenance and compliance with the maximum contaminant level and equipped with mechanical warnings to ensure that customers are automatically notified of operational problems.''.

(c) AVAILABILITY OF INFORMATION ON SMALL SYSTEM TECHNOLOGIES.—Section 1445 (42 U.S.C. 300j–4) is amended by adding at the end the following:

''(g) AVAILABILITY OF INFORMATION ON SMALL SYSTEM TECHNOLOGIES.—For purposes of paragraphs (4)(E) and (15) of section 1412(b), the Administrator may request information on the characteristics of commercially available treatment systems and technologies, including the effectiveness and performance of the systems and technologies under various operating conditions. The Administrator may specify the form, content, and date by which information shall be submitted by manufacturers, States, and other interested persons for the purpose of considering the systems and technologies in the development of regulations or guidance under paragraph (4)(E) or (15) of section 1412(b).''.

(d) SMALL WATER SYSTEMS TECHNOLOGY CENTERS.—Section 1442 (42 U.S.C. 300j–1) is amended by adding at the end the following:

''(h) SMALL PUBLIC WATER SYSTEMS TECHNOLOGY ASSISTANCE CENTERS.—

''(1) GRANT PROGRAM.—The Administrator is authorized to make grants to institutions of higher learning to establish and operate not fewer than 5 small public water system technology assistance centers in the United States.

''(2) RESPONSIBILITIES OF THE CENTERS.—The responsibilities of the small public water system technology assistance centers established under this subsection shall include the conduct of research, training, and technical assistance relating to the information, performance, and technical needs of small public water systems or public water systems that serve Indian Tribes.

''(3) APPLICATIONS.—Any institution of higher learning interested in receiving a grant under this subsection shall submit to the Administrator an application in such form and containing such information as the Administrator may require by regulation.

''(4) SELECTION CRITERIA.—The Administrator shall select recipients of grants under this subsection on the basis of the following criteria:

''(A) The small public water system technology assistance center shall be located in a State that is representative of the needs of the region in which the State is located for addressing the drinking water needs of rural small communities or Indian Tribes.

''(B) The grant recipient shall be located in a region that has experienced problems with rural water supplies.

''(C) There is available to the grant recipient for carrying out this subsection demonstrated expertise in water resources research, technical assistance, and training.

''(D) The grant recipient shall have the capability to provide leadership in making national and regional contributions to the solution of both long-range and intermediate-range rural water system technology management problems.

''(E) The grant recipient shall have a demonstrated interdisciplinary capability with expertise in small public water system technology management and research.

''(F) The grant recipient shall have a demonstrated capability to disseminate the results of small public water system technology research and training programs through an interdisciplinary continuing education program.

''(G) The projects that the grant recipient proposes to carry out under the grant are necessary and appropriate.

''(H) The grant recipient has regional support beyond the host institution.

''(I) The grant recipient shall include the participation of water resources research institutes established under section 104 of the Water Resources Research Act of 1984 (42 U.S.C. 10303).

''(5) ALASKA.—For purposes of this subsection, the State of Alaska shall be considered to be a region.

''(6) CONSORTIA OF STATES.—At least 2 of the grants under this subsection shall be made to consortia of States with low population densities. In this paragraph, the term 'consortium of States with low population densities' means a consortium of States, each State of which has an average population density of less than 12.3 persons per square mile, based on data for 1993 from the Bureau of the Census.

''(7) ADDITIONAL CONSIDERATIONS.—At least one center established under this subsection shall focus primarily on the development and evaluation of new technologies and new combinations of existing technologies that are likely to provide more reliable or lower cost options for providing safe drinking water. This center shall be located in a geographic region of the country with a high density of small systems, at a university with an established record of developing and piloting small treatment technologies in cooperation with industry, States, communities, and water system associations.

''(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this subsection $10,000,000 for each of fiscal years 1995 through 2003.''.

SEC. 13. VARIANCES AND EXEMPTIONS.

(a) TECHNOLOGY AND TREATMENT TECHNIQUES FOR SYSTEMS ISSUED VARIANCES.—The second sentence of section 1415(a)(1)(A) (42 U.S.C. 300g–4(a)(1)(A)) is amended—

(1) by striking ''only be issued to a system after the system's application of'' and inserting ''be issued to a system on condition that the system install''; and

(2) by inserting before the period at the end the following: '', and based upon an evaluation satisfactory to the State that indicates that alternative sources of water are not reasonably available to the system''.

(b) EXEMPTIONS.—Section 1416 (42 U.S.C. 300g–5) is amended—

(1) in subsection (a)(1)—

(A) by inserting after ''(which may include economic factors'' the following: '', including qualification of the public water system as a system serving a disadvantaged community pursuant to section 1473(e)(1)''; and

(B) by inserting after ''treatment technique requirement,'' the following: ''or to implement measures to develop an alternative source of water supply,'';

(2) in subsection (b)(1)(A)—

(A) by striking ''(including increments of progress)'' and inserting ''(including increments of progress or measures to develop an alternative source of water supply)''; and

(B) by striking ''requirement and treatment'' and inserting ''requirement or treatment''; and

(3) in subsection (b)(2)—

(A) by striking ''(except as provided in subparagraph (B))'' in subparagraph (A) and all that follows through ''3 years after the date of the issuance of the exemption if'' in subparagraph (B) and inserting the following: ''not later than 3 years after the otherwise applicable compliance date established in section 1412(b)(10).

''(B) No exemption shall be granted unless'';

(B) in subparagraph (B)(i), by striking ''within the period of such exemption'' and inserting ''prior to the date established pursuant to section 1412(b)(10)'';

(C) in subparagraph (B)(ii), by inserting after ''such financial assistance'' the following: ''or assistance pursuant to part G, or any other Federal or State program is reasonably likely to be available within the period of the exemption'';

(D) in subparagraph (C)—

(i) by striking ''500 service connections'' and inserting ''a population of 3,300''; and

(ii) by inserting '', but not to exceed a total of 6 years,'' after ''for one or more additional 2-year periods''; and

(E) by adding at the end the following:

''(D) LIMITATION.—A public water system may not receive an exemption under this section if the system was granted a variance under section 1415(e).''.

SEC. 14. SMALL SYSTEMS; TECHNICAL ASSISTANCE.

(a) SMALL SYSTEM VARIANCES.—Section 1415 (42 U.S.C. 300g–4) is amended by adding at the end the following:

''(e) SMALL SYSTEM VARIANCES.—

''(1) IN GENERAL.—The Administrator (or a State with primary enforcement responsibility for public water systems under section 1413) may grant to a public water system serving a population of 10,000 or fewer (referred to in this subsection as a 'small system') a variance under this subsection for compliance with a requirement specifying a maximum contaminant level or treatment technique contained in a national primary drinking water regulation, if the variance meets each requirement of this subsection.

''(2) AVAILABILITY OF VARIANCES.—A small system may receive a variance under this subsection if the system installs, operates, and maintains, in accordance with guidance or regulations issued by the Administrator, treatment technology that is feasible for small systems as determined by the Administrator pursuant to section 1412(b)(15).

''(3) CONDITIONS FOR GRANTING VARIANCES.—A variance under this subsection shall be available only to a system—

''(A) that cannot afford to comply, in accordance with affordability criteria established by the Administrator (or the State in the case of a State that has primary enforcement responsibility under section 1413), with a national primary drinking water regulation, including compliance through—

''(i) treatment;

''(ii) alternative source of water supply; or

''(iii) restructuring or consolidation (unless the Administrator (or the State in the case of a State that has primary enforcement responsibility under section 1413) makes a written determination that restructuring or consolidation is not feasible or appropriate based on other specified public policy considerations); and

''(B) for which the Administrator (or the State in the case of a State that has primary enforcement responsibility under section 1413) determines that the terms of the variance ensure adequate protection of human health, considering the quality of the source water for the system and the removal efficiencies and expected useful life of the treatment technology required by the variance.

''(4) APPLICATIONS.—An application for a variance for a national primary drinking water regulation under this subsection shall be submitted to the Administrator (or the State in the case of a State that has primary enforcement responsibility under section 1413) not later than the date that is the later of—

''(A) 3 years after the date of enactment of this subsection; or

''(B) 1 year after the compliance date of the national primary drinking water regulation as established under section 1412(b)(10) for which a variance is requested.

''(5) VARIANCE REVIEW AND DECISION.—

''(A) TIMETABLE.—The Administrator (or the State in the case of a State that has primary enforcement responsibility under section 1413) shall grant or deny a variance not later than 1 year after the date of receipt of the application.

''(B) PENALTY MORATORIUM.—Each public water system that submits a timely application for a variance under this subsection shall not be subject to a penalty in an enforcement action under section 1414 for a violation of a maximum contaminant level or treatment technique in the national primary drinking water regulation with respect to which the variance application was submitted prior to the date of a decision to grant or deny the variance.

''(6) COMPLIANCE SCHEDULES.—

''(A) VARIANCES.—A variance granted under this subsection shall require compliance with the conditions of the variance not later than 3 years after the date on which the variance is granted, except that the Administrator (or the State in the case of a State that has primary enforcement responsibility under section 1413) may allow up to 2 additional years to comply with a treatment technique, secure an alternative source of water, or restructure if the Administrator (or the State) determines that additional time is necessary for capital improvements, or to allow for financial assistance provided pursuant to part G or any other Federal or State program.

''(B) DENIED APPLICATIONS.—If the Administrator (or the State in the case of a State that has primary enforcement responsibility under section 1413) denies a variance application under this subsection, the public water system shall come into compliance with the requirements of the national primary drinking water regulation for which the variance was requested not later than 4 years after the date on which the national primary drinking water regulation was promulgated.

''(7) DURATION OF VARIANCES.—

''(A) IN GENERAL.—The Administrator (or the State in the case of a State that has primary enforcement responsibility under section 1413) shall review each variance granted under this subsection not less often than every 5 years after the compliance date established in the variance to determine whether the system remains eligible for the variance and is conforming to each condition of the variance.

''(B) REVOCATION OF VARIANCES.—The Administrator (or the State in the case of a State that has primary enforcement responsibility under section 1413) shall revoke a variance in effect under this subsection if the Administrator (or the State) determines that—

''(i) the system is no longer eligible for a variance;

''(ii) the system has failed to comply with any term or condition of the variance, other than a reporting or monitoring requirement, unless the failure is caused by circumstances outside the control of the system; or

''(iii) the terms of the variance do not ensure adequate protection of human health, considering the quality of source water available to the system and the removal efficiencies and expected useful life of the treatment technology required by the variance.

''(8) INELIGIBILITY FOR VARIANCES.—A variance shall not be available under this subsection for—

''(A) any maximum contaminant level or treatment technique for a contaminant with respect to which a national primary drinking water regulation was promulgated prior to January 1, 1986; or

''(B) a national primary drinking water regulation for a microbial contaminant (including a bacterium, virus, or other organism) or an indicator or treatment technique for a microbial contaminant.

''(9) REGULATIONS AND GUIDANCE.—

''(A) IN GENERAL.—Not later than 2 years after the date of enactment of this subsection and in consultation with the States, the Administrator shall promulgate regulations for variances to be granted under this subsection. The regulations shall, at a minimum, specify—

''(i) procedures to be used by the Administrator or a State to grant or deny variances, including requirements for notifying the Administrator and consumers of the public water system applying for a variance and requirements for a public hearing on the variance before the variance is granted;

''(ii) requirements for the installation and proper operation of treatment technology that is feasible (pursuant to section 1412(b)(15)) for small systems and the financial and technical capability to operate the treatment system, including operator training and certification;

''(iii) eligibility criteria for a variance for each national primary drinking water regulation, including requirements for the quality of the source water (pursuant to section 1412(b)(15)(A)); and

''(iv) information requirements for variance applications.

''(B) AFFORDABILITY CRITERIA.—Not later than 18 months after the date of enactment of the Safe Drinking Water Act Amendments of 1995, the Administrator, in consultation with the States and the Rural Utilities Service of the Department of Agriculture, shall publish information to assist the States in developing affordability criteria. The affordability criteria shall be reviewed by the States not less often than every 5 years to determine if changes are needed to the criteria.

''(10) REVIEW BY THE ADMINISTRATOR.—

''(A) IN GENERAL.—The Administrator shall periodically review the program of each State that has primary enforcement responsibility for public water systems under section 1413 with respect to variances to determine whether the variances granted by the State comply with the requirements of this subsection. With respect to affordability, the determination of the Administrator shall be limited to whether the variances granted by the State comply with the affordability criteria developed by the State.

''(B) NOTICE AND PUBLICATION.—If the Administrator determines that variances granted by a State are not in compliance with affordability criteria developed by the State and the requirements of this subsection, the Administrator shall notify the State in writing of the deficiencies and make public the determination.

''(C) OBJECTIONS TO VARIANCES.—

''(i) BY THE ADMINISTRATOR.—The Administrator may review and object to any variance proposed to be granted by a State, if

the objection is communicated to the State not later than 90 days after the State proposes to grant the variance. If the Administrator objects to the granting of a variance, the Administrator shall notify the State in writing of each basis for the objection and propose a modification to the variance to resolve the concerns of the Administrator. The State shall make the recommended modification or respond in writing to each objection. If the State issues the variance without resolving the concerns of the Administrator, the Administrator may overturn the State decision to grant the variance if the Administrator determines that the State decision does not comply with this subsection.

''(ii) PETITION BY CONSUMERS.—Not later than 30 days after a State with primary enforcement responsibility for public water systems under section 1413 proposes to grant a variance for a public water system, any person served by the system may petition the Administrator to object to the granting of a variance. The Administrator shall respond to the petition not later than 60 days after the receipt of the petition. The State shall not grant the variance during the 60-day period. The petition shall be based on comments made by the petitioner during public review of the variance by the State.''.

(b) TECHNICAL ASSISTANCE.—Section 1442(g) (42 U.S.C. 300j–1(g)) is amended—

(1) in the second sentence, by inserting ''and multi-State regional technical assistance'' after '''circuit-rider'''; and

(2) by striking the third sentence and inserting the following: ''The Administrator shall ensure that funds made available for technical assistance pursuant to this subsection are allocated among the States equally. Each nonprofit organization receiving assistance under this subsection shall consult with the State in which the assistance is to be expended or otherwise made available before using the assistance to undertake activities to carry out this subsection. There are authorized to be appropriated to carry out this subsection $15,000,000 for each of fiscal years 1992 through 2003.''.

SEC. 15. CAPACITY DEVELOPMENT; FINANCE CENTERS.

Part B (42 U.S.C. 300g et seq.) is amended by adding at the end the following:

''CAPACITY DEVELOPMENT

''SEC. 1418. (a) STATE AUTHORITY FOR NEW SYSTEMS.—Each State shall obtain the legal authority or other means to ensure that all new community water systems and new nontransient, noncommunity water systems commencing operation after October 1, 1998, demonstrate technical, managerial, and financial capacity with respect to each national primary drinking water regulation in effect, or likely to be in effect, on the date of commencement of operations.

''(b) SYSTEMS IN SIGNIFICANT NONCOMPLIANCE.—

''(1) LIST.—Beginning not later than 1 year after the date of enactment of this section, each State shall prepare, periodically update, and submit to the Administrator a list of community water systems and nontransient, noncommunity water systems that have a history of significant noncompliance with this title (as defined in guidelines issued prior to the date of enactment of this section or any revisions of the guidelines that have been made in consultation with the States) and, to the extent practicable, the reasons for noncompliance.

''(2) REPORT.—Not later than 5 years after the date of enactment of this section and as part of the capacity development strategy of the State, each State shall report to the Administrator on the success of enforcement mechanisms and initial capacity development efforts in assisting the public water systems listed under paragraph (1) to improve technical, managerial, and financial capacity.

''(c) CAPACITY DEVELOPMENT STRATEGY.—

''(1) IN GENERAL.—Not later than 4 years after the date of enactment of this section, each State shall develop and implement a strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity.

''(2) CONTENT.—In preparing the capacity development strategy, the State shall consider, solicit public comment on, and include as appropriate—

''(A) the methods or criteria that the State will use to identify and prioritize the public water systems most in need of improving technical, managerial, and financial capacity;

''(B) a description of the institutional, regulatory, financial, tax, or legal factors at the Federal, State, or local level that encourage or impair capacity development;

''(C) a description of how the State will use the authorities and resources of this title or other means to—

''(i) assist public water systems in complying with national primary drinking water regulations;

''(ii) encourage the development of partnerships between public water systems to enhance the technical, managerial, and financial capacity of the systems; and

''(iii) assist public water systems in the training and certification of operators;

''(D) a description of how the State will establish a baseline and measure improvements in capacity with respect to national primary drinking water regulations and State drinking water law; and

''(E) an identification of the persons that have an interest in and are involved in the development and implementation of the capacity development strategy (including all appropriate agencies of Federal, State, and local governments, private and nonprofit public water systems, and public water system customers).

''(3) REPORT.—Not later than 2 years after the date on which a State first adopts a capacity development strategy under this subsection, and every 3 years thereafter, the head of the State agency that has primary responsibility to carry out this title in the State shall submit to the Governor a report that shall also be available to the public on the efficacy of the strategy and progress made toward improving the technical, managerial, and financial capacity of public water systems in the State.

''(d) FEDERAL ASSISTANCE.—

''(1) IN GENERAL.—The Administrator shall support the States in developing capacity development strategies.

''(2) INFORMATIONAL ASSISTANCE.—

''(A) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Administrator shall—

''(i) conduct a review of State capacity development efforts in existence on the date of enactment of this section and publish information to assist States and public water systems in capacity development efforts; and

''(ii) initiate a partnership with States, public water systems, and the public to develop information for States on recommended operator certification requirements.

''(B) PUBLICATION OF INFORMATION.—The Administrator shall publish the information developed through the partnership under subparagraph (A)(ii) not later than 18 months after the date of enactment of this section.

''(3) VARIANCES AND EXEMPTIONS.—Based on information obtained under subsection (c)(2)(B), the Administrator shall, as appropriate, modify regulations concerning variances and exemptions for small public water systems to ensure flexibility in the use of the variances and exemptions. Nothing in this paragraph shall be interpreted, construed, or applied to affect or alter the requirements of section 1415 or 1416.

''(4) PROMULGATION OF DRINKING WATER REGULATIONS.—In promulgating a national primary drinking water regulation, the Administrator shall include an analysis of the likely effect of compliance with the regulation on the technical, financial, and managerial capacity of public water systems.

''(5) GUIDANCE FOR NEW SYSTEMS.—Not later than 2 years after the date of enactment of this section, the Administrator shall publish guidance developed in consultation with the States describing legal authorities and other means to ensure that all new community water systems and new nontransient, noncommunity water systems demonstrate technical, managerial, and financial capacity with respect to national primary drinking water regulations.

''(e) ENVIRONMENTAL FINANCE CENTERS.—

''(1) IN GENERAL.—The Administrator shall support the network of university-based Environmental Finance Centers in providing training and technical assistance to State and local officials in developing capacity of public water systems.

''(2) NATIONAL CAPACITY DEVELOPMENT CLEARINGHOUSE.—Within the Environmental Finance Center network in existence on the date of enactment of this section, the Administrator shall establish a national public water systems capacity development clearinghouse to receive, coordinate, and disseminate research and reports on projects funded under this title and from other sources with respect to developing, improving, and maintaining technical, financial, and managerial capacity at public water systems to Federal and State agencies, universities, water suppliers, and other interested persons.

''(3) CAPACITY DEVELOPMENT TECHNIQUES.—

''(A) IN GENERAL.—The Environmental Finance Centers shall develop and test managerial, financial, and institutional techniques—

''(i) to ensure that new public water systems have the technical, managerial, and financial capacity before commencing operation;

''(ii) to identify public water systems in need of capacity development; and

''(iii) to bring public water systems with a history of significant noncompliance with national primary drinking water regulations into compliance.

''(B) TECHNIQUES.—The techniques may include capacity assessment methodologies, manual and computer-based public water system rate models and capital planning models, public water system consolidation procedures, and regionalization models.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out subsection (e) $2,500,000 for each of fiscal years 1995 through 2003.''.

SEC. 16. OPERATOR AND LABORATORY CERTIFICATION.

Section 1442 (42 U.S.C. 300j–1) is amended by inserting after subsection (d) the following:

''(e) CERTIFICATION OF OPERATORS AND LABORATORIES.—

''(1) REQUIREMENT.—Beginning 3 years after the date of enactment of the Safe Drinking Water Act Amendments of 1995—

''(A) no assistance may be provided to a public water system under part G unless the system has entered into an enforceable commitment with the State providing that any person who operates the system will be trained and certified according to requirements established by the Administrator or

the State (in the case of a State with primary enforcement responsibility under section 1413) not later than the date of completion of the capital project for which the assistance is provided; and

''(B) a public water system that has received assistance under part G may be operated only by a person who has been trained and certified according to requirements established by the Administrator or the State (in the case of a State with primary enforcement responsibility under section 1413).

''(2) GUIDELINES.—Not later than 18 months after the date of enactment of the Safe Drinking Water Act Amendments of 1995 and after consultation with the States, the Administrator shall publish information to assist States in carrying out paragraph (1). In the case of a State with primary enforcement responsibility under section 1413 *or any other State that has established a training program that is consistent with the guidance issued under this paragraph*, the authority to prescribe the appropriate level of training for certification for all systems shall be solely the responsibility of the State. The guidance issued under this paragraph shall also include information to assist States in certifying laboratories engaged in testing for the purpose of compliance with sections 1445 and 1401(1).

''(3) NONCOMPLIANCE.—If a public water system in a State is not operated in accordance with paragraph (1), the Administrator is authorized to withhold from funds that would otherwise be allocated to the State under section 1472 or require the repayment of an amount equal to the amount of any assistance under part G provided to the public water system.''.

SEC. 17. SOURCE WATER QUALITY PROTECTION PARTNERSHIPS.

Part B (42 U.S.C. 300g et seq.) (as amended by section 15) is further amended by adding at the end the following:

''SOURCE WATER QUALITY PROTECTION PARTNERSHIP PROGRAM

''SEC. 1419. (a) SOURCE WATER AREA DELINEATIONS.—Except as provided in subsection (c), not later than 5 years after the date of enactment of this section, and after an opportunity for public comment, each State shall—

''(1) delineate (directly or through delegation) the source water protection areas for community water systems in the State using hydrogeologic information considered to be reasonably available and appropriate by the State; and

''(2) conduct, to the extent practicable, vulnerability assessments in source water areas determined to be a priority by the State, including, to the extent practicable, identification of risks in source water protection areas to drinking water.

''(b) ALTERNATIVE DELINEATIONS AND VULNERABILITY ASSESSMENTS.—For the purposes of satisfying the requirements of subsection (a), a State may use delineations and vulnerability assessments conducted for—

''(1) ground water sources under a State wellhead protection program developed pursuant to section 1428;

''(2) surface or ground water sources under a State pesticide management plan developed pursuant to the Pesticide and Ground Water State Management Plan Regulation (subparts I and J of part 152 of title 40, Code of Federal Regulations), promulgated under section 3(d) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(d)); or

''(3) surface water sources under a State watershed initiative or to satisfy the watershed criterion for determining if filtration is required under the Surface Water Treatment Rule (section 141.70 of title 40, Code of Federal Regulations).

''(c) FUNDING.—To carry out the delineations and assessments described in subsection (a), a State may use funds made available for that purpose pursuant to section 1473(f). If funds available under that section are insufficient to meet the minimum requirements of subsection (a), the State shall establish a priority-based schedule for the delineations and assessments within available resources.

''(d) PETITION PROGRAM.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT.—A State may establish a program under which an owner or operator of a community water system in the State, or a municipal or local government or political subdivision of a government in the State, may submit a source water quality protection partnership petition to the State requesting that the State assist in the local development of a voluntary, incentive-based partnership, among the owner, operator, or government and other persons likely to be affected by the recommendations of the partnership, to—

''(i) reduce the presence in drinking water of contaminants that may be addressed by a petition by considering the origins of the contaminants, including to the maximum extent practicable the specific activities that affect the drinking water supply of a community;

''(ii) obtain financial or technical assistance necessary to facilitate establishment of a partnership, or to develop and implement recommendations of a partnership for the protection of source water to assist in the provision of drinking water that complies with national primary drinking water regulations with respect to contaminants addressed by a petition; and

''(iii) develop recommendations regarding voluntary and incentive-based strategies for the long-term protection of the source water of community water systems.

''(B) STATE DETERMINATION.—Not later than 1 year after the date of enactment of this section, each State shall provide public notice and solicit public comment on the question of whether to develop a source water quality protection partnership petition program in the State, and publicly announce the determination of the State thereafter. If so requested by any public water system or local governmental entity, prior to making the determination, the State shall hold at least one public hearing to assess the level of interest in the State for development and implementation of a State source water quality partnership petition program.

''(C) FUNDING.—Each State may—

''(i) use funds set aside pursuant to section 1473(f) by the State to carry out a program described in subparagraph (A), including assistance to voluntary local partnerships for the development and implementation of partnership recommendations for the protection of [source water,] *source water such as* source water quality assessment, contingency plans, and demonstration projects for partners within a source water area delineated under subsection (a); and

''(ii) provide assistance in response to a petition submitted under this subsection using funds referred to in subsections (e)(2)(B) and (g).

''(2) OBJECTIVES.—The objectives of a petition submitted under this subsection shall be to—

''(A) facilitate the local development of voluntary, incentive-based partnerships among owners and operators of community water systems, governments, and other persons in source water areas; and

''(B) obtain assistance from the State in directing or redirecting resources under Federal or State water quality programs to implement the recommendations of the partnerships to address the origins of drinking water contaminants that may be addressed by a petition (including to the maximum extent practicable the specific activities) that affect the drinking water supply of a community.

''(3) CONTAMINANTS ADDRESSED BY A PETITION.—A petition submitted to a State under this section may address only those contaminants—

''(A) that are pathogenic organisms for which a national primary drinking water regulation has been established or is required under section 1412(b)(2)(C); or

''(B) for which a national primary drinking water regulation has been promulgated or proposed and—

''(i) that are detected in the community water system for which the petition is submitted at levels above the maximum contaminant level; or

''(ii) that are detected by adequate monitoring methods at levels that are not reliably and consistently below the maximum contaminant level.

''(4) CONTENTS.—A petition submitted under this subsection shall, at a minimum—

''(A) include a delineation of the source water area in the State that is the subject of the petition;

''(B) identify, to the maximum extent practicable, the origins of the drinking water contaminants that may be addressed by a petition (including to the maximum extent practicable the specific activities contributing to the presence of the contaminants) in the source water area delineated under subparagraph (A);

''(C) identify any deficiencies in information that will impair the development of recommendations by the voluntary local partnership to address drinking water contaminants that may be addressed by a petition;

''(D) specify the efforts made to establish the voluntary local partnership and obtain the participation of—

''(i) the municipal or local government or other political subdivision of the State with jurisdiction over the source water area delineated under subparagraph (A); and

''(ii) each person in the source water area delineated under subparagraph (A)—

''(I) who is likely to be affected by recommendations of the voluntary local partnership; and

''(II) whose participation is essential to the success of the partnership;

''(E) outline how the voluntary local partnership has or will, during development and implementation of recommendations of the voluntary local partnership, identify, recognize and take into account any voluntary or other activities already being undertaken by persons in the source water area delineated under subparagraph (A) under Federal or State law to reduce the likelihood that contaminants will occur in drinking water at levels of public health concern; and

''(F) specify the technical, financial, or other assistance that the voluntary local partnership requests of the State to develop the partnership or to implement recommendations of the partnership.

''(e) APPROVAL OR DISAPPROVAL OF PETITIONS.—

''(1) IN GENERAL.—After providing notice and an opportunity for public comment on a petition submitted under subsection (d), the State shall approve or disapprove the petition, in whole or in part, not later than 120 days after the date of submission of the petition.

''(2) APPROVAL.—The State may approve a petition if the petition meets the requirements established under subsection (d). The noticeofapprovalshall,ataminimum, include—

''(A) an identification of technical, financial, or other assistance that the State will provide to assist in addressing the drinking water contaminants that may be addressed by a petition based on—

''(i) the relative priority of the public health concern identified in the petition with respect to the other water quality needs identified by the State;

''(ii) any necessary coordination that the State will perform of the program established under this section with programs implemented or planned by other States under this section; and

''(iii) funds available (including funds available from a State revolving loan fund established under title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or part G and the appropriate distribution of the funds to assist in implementing the recommendations of the partnership;

''(B) a description of technical or financial assistance pursuant to Federal and State programs that is available to assist in implementing recommendations of the partnership in the petition, including—

''(i) any program established under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

''(ii) the program established under section 6217 of the Coastal Zone Act Reauthorization Amendments of 1990 (16 U.S.C. 1455b);

''(iii) the agricultural water quality protection program established under chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.);

''(iv) the sole source aquifer protection program established under section 1427;

''(v) the community wellhead protection program established under section 1428;

''(vi) any pesticide or ground water management plan; [and]

''(vii) any voluntary agricultural resource management plan or voluntary whole farm or whole ranch management plan developed and implemented under a process established by the Secretary of Agriculture; and

[''(vii)] *''(viii)* any abandoned well closure program; and

''(C) a description of activities that will be undertaken to coordinate Federal and State programs to respond to the petition.

''(3) DISAPPROVAL.—If the State disapproves a petition submitted under subsection (d), the State shall notify the entity submitting the petition in writing of the reasons for disapproval. A petition may be resubmitted at any time if—

''(A) new information becomes available;

''(B) conditions affecting the source water that is the subject of the petition change; or

''(C) modifications are made in the type of assistance being requested.

''(f) ELIGIBILITY FOR WATER QUALITY PROTECTION ASSISTANCE.—A sole source aquifer plan developed under section 1427, a wellhead protection plan developed under section 1428, and a source water quality protection measure assisted in response to a petition submitted under subsection (d) shall be eligible for assistance under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), including assistance provided under section 319 and title VI of such Act (33 U.S.C. 1329 and 1381 et seq.), if the project, measure, or practice would be eligible for assistance under such Act. In the case of funds made available under such section 319 to assist a source water quality protection measure in response to a petition submitted under subsection (d), the funds may be used only for a measure that addresses nonpoint source pollution.

''(g) GRANTS TO SUPPORT STATE PROGRAMS.—

''(1) IN GENERAL.—The Administrator may make a grant to each State that establishes a program under this section that is approved under paragraph (2). The amount of each grant shall not exceed 50 percent of the cost of administering the program for the year in which the grant is available.

''(2) APPROVAL.—In order to receive grant assistance under this subsection, a State shall submit to the Administrator for approval a plan for a source water quality protection partnership program that is consistent with the guidance published under paragraph (3). The Administrator shall approve the plan if the plan is consistent with the guidance published under paragraph (3).

''(3) GUIDANCE.—

''(A) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Administrator, *in consultation with the States,* shall publish guidance to assist—

''(i) States in the development of a source water quality protection partnership program; and

''(ii) municipal or local governments or political subdivisions of the governments and community water systems in the development of source water quality protection partnerships and in the assessment of source water quality.

''(B) CONTENTS OF THE GUIDANCE.—The guidance shall, at a minimum—

''(i) recommend procedures for the approval or disapproval by a State of a petition submitted under subsection (d);

''(ii) recommend procedures for the submission of petitions developed under subsection (d);

''(iii) recommend criteria for the [delineation] *assessment* of source water areas within a State;

''(iv) describe technical or financial assistance pursuant to Federal and State programs that is available to address the contamination of sources of drinking water and to develop and respond to petitions submitted under subsection (d); and

''(v) specify actions taken by the Administrator to ensure the coordination of the programs referred to in clause (iv) with the goals and objectives of this title to the maximum extent practicable.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for fiscal years 1995 through 2003. Each State with a plan for a program approved under paragraph (2) shall receive an equitable portion of the funds available for any fiscal year.

''(h) STATUTORY CONSTRUCTION.—Nothing in this section—

''(1)(A) creates or conveys new authority to a State, political subdivision of a State, or community water system for any new regulatory measure; or

''(B) limits any [existing] authority of a State, political subdivision, or community water system; or

''(2) precludes a community water system, municipal or local government, or political subdivision of a government from locally developing and carrying out a voluntary, incentive-based, source water quality protection partnership to address the origins of drinking water contaminants of public health concern.''.

SEC. 18. STATE PRIMACY; STATE FUNDING.

(a) STATE PRIMARY ENFORCEMENT RESPONSIBILITY.—Section 1413 (42 U.S.C. 300g–2) is amended—

(1) in subsection (a), by striking paragraph (1) and inserting the following:

''(1) has adopted drinking water regulations that are no less stringent than the national primary drinking water regulations promulgated by the Administrator under section 1412 not later than 2 years after the date on which the regulations are promulgated by the Administrator;''; and

(2) by adding at the end the following:

''(c) INTERIM PRIMARY ENFORCEMENT AUTHORITY.—A State that has primary enforcement authority under this section with respect to each existing national primary drinking water regulation shall be considered to have primary enforcement authority with respect to each new or revised national primary drinking water regulation during the period beginning on the effective date of a regulation adopted and submitted by the State with respect to the new or revised national primary drinking water regulation in accordance with subsection (b)(1) and ending at such time as the Administrator makes a determination under subsection (b)(2) with respect to the regulation.''.

(b) PUBLIC WATER SYSTEM SUPERVISION PROGRAM.—Section 1443(a) (42 U.S.C. 300j–2(a)) is amended—

(1) in paragraph (3)—

(A) by striking ''(3) A grant'' and inserting the following:

''(3) AMOUNT OF GRANT.—

''(A) IN GENERAL.—A grant''; and

(B) by adding at the end the following:

''(B) DETERMINATION OF COSTS.—To determine the costs of a grant recipient pursuant to this paragraph, the Administrator shall, in cooperation with the States and not later than 180 days after the date of enactment of this subparagraph, establish a resource model for the public water system supervision program and review and revise the model as necessary.

''(C) STATE COST ADJUSTMENTS.—The Administrator shall revise cost estimates used in the resource model for any particular State to reflect costs more likely to be experienced in that State, if—

''(i) the State requests the modification; and

''(ii) the revised estimates ensure full and effective administration of the public water system supervision program in the State and the revised estimates do not overstate the resources needed to administer the program.'';

(2) in paragraph (7), by adding at the end a period and the following:

''For the purpose of making grants under paragraph (1), there are authorized to be appropriated such sums as are necessary for each of fiscal years 1992 and 1993 and $100,000,000 for each of fiscal years 1994 through 2003.''; and

(3) by adding at the end the following:

''(8) RESERVATION OF FUNDS BY THE ADMINISTRATOR.—If the Administrator assumes the primary enforcement responsibility of a State public water system supervision program, the Administrator may reserve from funds made available pursuant to this subsection, an amount equal to the amount that would otherwise have been provided to the State pursuant to this subsection. The Administrator shall use the funds reserved pursuant to this paragraph to ensure the full and effective administration of a public water system supervision program in the State.

''(9) STATE LOAN FUNDS.—

''(A) RESERVATION OF FUNDS.—For any fiscal year for which the amount made available to the Administrator by appropriations to carry out this subsection is less than the amount that the Administrator determines is necessary to supplement funds made available pursuant to paragraph (8) to ensure the full and effective administration of a public water system supervision program in a State (based on the resource model developed under paragraph (3)(B)), the Administrator may reserve from the funds made available to the State under section 1472 an amount that is equal to the amount of the shortfall.

''(B) DUTY OF ADMINISTRATOR.—If the Administrator reserves funds from the allocation of a State under subparagraph (A), the Administrator shall carry out in the State—

''(i) each of the activities that would be required of the State if the State had primary enforcement authority under section 1413; and

''(ii) each of the activities required of the State by this title, other than part C, but not made a condition of the authority.''.

SEC. 19. MONITORING AND INFORMATION GATHERING.

(a) REGULATED CONTAMINANTS.—

(1) REVIEW OF EXISTING REQUIREMENTS.—Section 1445(a)(1) (42 U.S.C. 300j–4(a)(1)) is amended—

(A) by designating the first and second sentences as subparagraphs (A) and (B), respectively; and

(B) by adding at the end the following:

''(C) REVIEW.—The Administrator shall not later than 2 years after the date of enactment of this subparagraph, after consultation with public health experts, representatives of the general public, and officials of State and local governments, review the monitoring requirements for not fewer than 12 contaminants identified by the Administrator, and promulgate any necessary modifications.''.

(2) ALTERNATIVE MONITORING PROGRAMS.—Section 1445(a)(1) (42 U.S.C. 300j–4(a)(1)) (as amended by paragraph (1)(B)) is further amended by adding at the end the following:

''(D) STATE-ESTABLISHED REQUIREMENTS.—

''(i) IN GENERAL.—Each State with primary enforcement responsibility under section 1413 may, by rule, establish alternative monitoring requirements for any national primary drinking water regulation, other than a regulation applicable to a microbial contaminant (or an indicator of a microbial contaminant). The alternative monitoring requirements established by a State under this clause may not take effect for any national primary drinking water regulation until after completion of at least 1 full cycle of monitoring in the State satisfying the requirements of paragraphs (1) and (2) of section 1413(a). The alternative monitoring requirements may be applicable to public water systems or classes of public water systems identified by the State, in lieu of the monitoring requirements that would otherwise be applicable under the regulation, if the alternative monitoring requirements—

''(I) are based on use of the best available science conducted in accordance with sound and objective scientific practices and data collected by accepted methods;

''(II) are based on the potential for the contaminant to occur in the source water based on use patterns and other relevant characteristics of the contaminant or the systems subject to the requirements;

''(III) in the case of a public water system or class of public water systems in which a contaminant has been detected at quantifiable levels that are not reliably and consistently below the maximum contaminant level, include monitoring frequencies that are not less frequent than the frequencies required in the national primary drinking water regulation for the contaminant for a period of 5 years after the detection; and

''(IV) in the case of each contaminant formed in the distribution system, are not applicable to public water systems for which treatment is necessary to comply with the national primary drinking water regulation.

''(ii) COMPLIANCE AND ENFORCEMENT.—The alternative monitoring requirements established by the State shall be adequate to ensure compliance with, and enforcement of, each national primary drinking water regulation. The State may review and update the alternative monitoring requirements as necessary.

''(iii) APPLICATION OF SECTION 1413.—

''(I) IN GENERAL.—Each State establishing alternative monitoring requirements under this subparagraph shall submit the rule to the Administrator as provided in section 1413(b)(1). Any requirements for a State to provide information supporting a submission shall be defined only in consultation with the States, and shall address only such information as is necessary to make a decision to approve or disapprove an alternative monitoring rule in accordance with the following sentence. The Administrator shall approve an alternative monitoring rule submitted under this clause for the purposes of section 1413, unless the Administrator determines in writing that the State rule for alternative monitoring does not ensure compliance with, and enforcement of, the national primary drinking water regulation for the contaminant or contaminants to which the rule applies.

''(II) EXCEPTIONS.—The requirements of section 1413(a)(1) that a rule be no less stringent than the national primary drinking water regulation for the contaminant or contaminants to which the rule applies shall not apply to the decision of the Administrator to approve or disapprove a rule submitted under this clause. Notwithstanding the requirements of section 1413(b)(2), the Administrator shall approve or disapprove a rule submitted under this clause within 180 days of submission. In the absence of a determination to disapprove a rule made by the Administrator within 180 days, the rule shall be deemed to be approved under section 1413(b)(2).

''(III) ADDITIONAL CONSIDERATIONS.—A State shall be considered to have primary enforcement authority with regard to an alternative monitoring rule, and the rule shall be effective, on a date (determined by the State) any time on or after submission of the rule, consistent with section 1413(c). A decision by the Administrator to disapprove an alternative monitoring rule under section 1413 or to withdraw the authority of the State to carry out the rule under clause (iv) may not be the basis for withdrawing primary enforcement responsibility for a national primary drinking water regulation or regulations from the State under section 1413.

''(iv) OVERSIGHT BY THE ADMINISTRATOR.—The Administrator shall review, not less often than every 5 years, any alternative monitoring requirements established by a State under clause (i) to determine whether the requirements are adequate to ensure compliance with, and enforcement of, national primary drinking water regulations. If the Administrator determines that the alternative monitoring requirements of a State are inadequate with respect to a contaminant, and after providing the State with an opportunity to respond to the determination of the Administrator and to correct any inadequacies, the Administrator may withdraw the authority of the State to carry out the alternative monitoring requirements with respect to the contaminant. If the Administrator withdraws the authority, the monitoring requirements contained in the national primary drinking water regulation for the contaminant shall apply to public water systems in the State.

''(v) NONPRIMACY STATES.—The Governor of any State that does not have primary enforcement responsibility under section 1413 on the date of enactment of this clause may submit to the Administrator a request that the Administrator modify the monitoring requirements established by the Administrator and applicable to public water systems in that State. After consultation with the Governor, the Administrator shall modify the requirements for public water systems in that State if the request of the Governor is in accordance with each of the requirements of this subparagraph that apply to alternative monitoring requirements established by States that have primary enforcement responsibility. A decision by the Administrator to approve a request under this clause shall be for a period of 3 years and may subsequently be extended for periods of 5 years.

''(vi) GUIDANCE.—The Administrator shall issue guidance in consultation with the States that States may use to develop State-established requirements pursuant to this subparagraph and subparagraph (E). The guidance shall identify options for alternative monitoring designs that meet the criteria identified in clause (i) and the requirements of clause (ii).''.

(3) SMALL SYSTEM MONITORING.—Section 1445(a)(1) (42 U.S.C. 300j–4(a)(1)) (as amended by paragraph (2)) is further amended by adding at the end the following:

''(E) SMALL SYSTEM MONITORING.—The Administrator or a State that has primary enforcement responsibility under section 1413 may modify the monitoring requirements for any contaminant, other than a microbial contaminant or an indicator of a microbial contaminant, a contaminant regulated on the basis of an acute health effect, or a contaminant formed in the treatment process or in the distribution system, to provide that any public water system that serves a population of 10,000 or fewer shall not be required to conduct additional quarterly monitoring during any 3-year period for a specific contaminant if monitoring conducted at the beginning of the period for the contaminant fails to detect the presence of the contaminant in the water supplied by the public water system, and the Administrator or the State determines that the contaminant is unlikely to be detected by further monitoring in the period.''.

(b) UNREGULATED CONTAMINANTS.—Section 1445(a) (42 U.S.C. 300j–4(a)) is amended by striking paragraphs (2) through (8) and inserting the following:

''(2) MONITORING PROGRAM FOR UNREGULATED CONTAMINANTS.—

''(A) ESTABLISHMENT.—The Administrator shall promulgate regulations establishing the criteria for a monitoring program for unregulated contaminants. The regulations shall require monitoring of drinking water supplied by public water systems and shall vary the frequency and schedule for monitoring requirements for systems based on the number of persons served by the system, the source of supply, and the contaminants likely to be found.

''(B) MONITORING PROGRAM FOR CERTAIN UNREGULATED CONTAMINANTS.—

''(i) INITIAL LIST.—Not later than 3 years after the date of enactment of the Safe Drinking Water Amendments of 1995 and every 5 years thereafter, the Administrator shall issue a list pursuant to subparagraph (A) of not more than 20 unregulated contaminants to be monitored by public water systems and to be included in the national drinking water occurrence data base maintained pursuant to paragraph (3).

''(ii) GOVERNORS' PETITION.—The Administrator shall include among the list of contaminants for which monitoring is required under this paragraph each contaminant recommended in a petition signed by the Governor of each of 7 or more States, unless the Administrator determines that the action would prevent the listing of other contaminants of a higher public health concern.

''(C) MONITORING BY LARGE SYSTEMS.—A public water system that serves a population of more than 10,000 shall conduct monitoring

for all contaminants listed under subparagraph (B).

''(D) MONITORING PLAN FOR SMALL AND MEDIUM SYSTEMS.—

''(i) IN GENERAL.—Based on the regulations promulgated by the Administrator, each State shall develop a representative monitoring plan to assess the occurrence of unregulated contaminants in public water systems that serve a population of 10,000 or fewer. The plan shall require monitoring for systems representative of different sizes, types, and geographic locations in the State.

''(ii) GRANTS FOR SMALL SYSTEM COSTS.—From funds reserved under section 1478(c), the Administrator shall pay the reasonable cost of such testing and laboratory analysis as are necessary to carry out monitoring under the plan.

''(E) MONITORING RESULTS.—Each public water system that conducts monitoring of unregulated contaminants pursuant to this paragraph shall provide the results of the monitoring to the primary enforcement authority for the system.

''(F) WAIVER OF MONITORING REQUIREMENT.—The Administrator shall waive the requirement for monitoring for a contaminant under this paragraph in a State, if the State demonstrates that the criteria for listing the contaminant do not apply in that State.

''(G) ANALYTICAL METHODS.—The State may use screening methods approved by the Administrator under subsection (h) in lieu of monitoring for particular contaminants under this paragraph.

''(H) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph $10,000,000 for each of fiscal years 1995 through 2003.''.

(c) NATIONAL DRINKING WATER OCCURRENCE DATABASE.—Section 1445(a) (42 U.S.C. 300j–4(a)) (as amended by subsection (b)) is further amended by adding at the end the following:

''(3) NATIONAL DRINKING WATER OCCURRENCE DATABASE.—

''(A) IN GENERAL.—Not later than 3 years after the date of enactment of the Safe Drinking Water Act Amendments of 1995, the Administrator shall assemble and maintain a national drinking water occurrence data base, using information on the occurrence of both regulated and unregulated contaminants in public water systems obtained under paragraph (2) and reliable information from other public and private sources.

''(B) USE.—The data shall be used by the Administrator in making determinations under section 1412(b)(1) with respect to the occurrence of a contaminant in drinking water at a level of public health concern.

''(C) PUBLIC RECOMMENDATIONS.—The Administrator shall periodically solicit recommendations from the appropriate officials of the National Academy of Sciences and the States, and any person may submit recommendations to the Administrator, with respect to contaminants that should be included in the national drinking water occurrence data base, including recommendations with respect to additional unregulated contaminants that should be listed under paragraph (2). Any recommendation submitted under this clause shall be accompanied by reasonable documentation that—

''(i) the contaminant occurs or is likely to occur in drinking water; and

''(ii) the contaminant poses a risk to public health.

''(D) PUBLIC AVAILABILITY.—The information from the data base shall be available to the public in readily accessible form.

''(E) REGULATED CONTAMINANTS.—With respect to each contaminant for which a national primary drinking water regulation has been established, the data base shall include information on the detection of the contaminant at a quantifiable level in public water systems (including detection of the contaminant at levels not constituting a violation of the maximum contaminant level for the contaminant).

''(F) UNREGULATED CONTAMINANTS.—With respect to contaminants for which a national primary drinking water regulation has not been established, the data base shall include—

''(i) monitoring information collected by public water systems that serve a population of more than 10,000, as required by the Administrator under paragraph (2);

''(ii) monitoring information collected by the States from a representative sampling of public water systems that serve a population of 10,000 or fewer; and

''(iii) other reliable and appropriate monitoring information on the occurrence of the contaminants in public water systems that is available to the Administrator.''.

(d) INFORMATION.—

(1) MONITORING AND TESTING AUTHORITY.—Subparagraph (A) of section 1445(a)(1) (42 U.S.C. 300j–4(a)(1)) (as designated by subsection (a)(1)(A)) is amended—

(A) by inserting ''by accepted methods'' after ''conduct such monitoring''; and

(B) by striking ''such information as the Administrator may reasonably require'' and all that follows through the period at the end and inserting the following: ''such information as the Administrator may reasonably require—

''(i) to assist the Administrator in establishing regulations under this title or to assist the Administrator in determining, on a case-by-case basis, whether the person has acted or is acting in compliance with this title; and

''(ii) by regulation to assist the Administrator in determining compliance with national primary drinking water regulations promulgated under section 1412 or in administering any program of financial assistance under this title.

If the Administrator is requiring monitoring for purposes of testing new or alternative methods, the Administrator may require the use of other than accepted methods.''.

(2) SCREENING METHODS.—Section 1445 (42 U.S.C. 300j–4) (as amended by section 12(c)) is further amended by adding at the end the following:

''(h) SCREENING METHODS.—The Administrator shall review new analytical methods to screen for regulated contaminants and may approve such methods as are more accurate or cost-effective than established reference methods for use in compliance monitoring.''.

SEC. 20. PUBLIC NOTIFICATION.

Section 1414 (42 U.S.C. 300g–3) is amended by striking subsection (c) and inserting the following:

''(c) NOTICE TO PERSONS SERVED.—

''(1) IN GENERAL.—Each owner or operator of a public water system shall give notice to the persons served by the system—

''(A) of any failure on the part of the public water system to—

''(i) comply with an applicable maximum contaminant level or treatment technique requirement of, or a testing procedure prescribed by, a national primary drinking water regulation; or

''(ii) perform monitoring required by section 1445(a);

''(B) if the public water system is subject to a variance granted under section 1415(a)(1)(A), 1415(a)(2), or 1415(e) for an inability to meet a maximum contaminant level requirement or is subject to an exemption granted under section 1416, of—

''(i) the existence of the variance or exemption; and

''(ii) any failure to comply with the requirements of any schedule prescribed pursuant to the variance or exemption; and

''(C) of the concentration level of any unregulated contaminant for which the Administrator has required public notice pursuant to paragraph (2)(E).

''(2) FORM, MANNER, AND FREQUENCY OF NOTICE.—

''(A) IN GENERAL.—The Administrator shall, by regulation, and after consultation with the States, prescribe the manner, frequency, form, and content for giving notice under this subsection. The regulations shall—

''(i) provide for different frequencies of notice based on the differences between violations that are intermittent or infrequent and violations that are continuous or frequent; and

''(ii) take into account the seriousness of any potential adverse health effects that may be involved.

''(B) STATE REQUIREMENTS.—

''(i) IN GENERAL.—A State may, by rule, establish alternative notification requirements—

''(I) with respect to the form and content of notice given under and in a manner in accordance with subparagraph (C); and

''(II) with respect to the form and content of notice given under subparagraph (D).

''(ii) CONTENTS.—The alternative requirements shall provide the same type and amount of information as required pursuant to this subsection and regulations issued under subparagraph (A).

''(iii) RELATIONSHIP TO SECTION 1413.—Nothing in this subparagraph shall be construed or applied to modify the requirements of section 1413.

''(C) VIOLATIONS WITH POTENTIAL TO HAVE SERIOUS ADVERSE EFFECTS ON HUMAN HEALTH.—Regulations issued under subparagraph (A) shall specify notification procedures for each violation by a public water system that has the potential to have serious adverse effects on human health as a result of short-term exposure. Each notice of violation provided under this subparagraph shall—

''(i) be distributed as soon as practicable after the occurrence of the violation, but not later than 24 hours after the occurrence of the violation;

''(ii) provide a clear and readily understandable explanation of—

''(I) the violation;

''(II) the potential adverse effects on human health;

''(III) the steps that the public water system is taking to correct the violation; and

''(IV) the necessity of seeking alternative water supplies until the violation is corrected;

''(iii) be provided to the Administrator or the head of the State agency that has primary enforcement responsibility under section 1413 as soon as practicable, but not later than 24 hours after the occurrence of the violation; and

''(iv) as required by the State agency in general regulations of the State agency, or on a case-by-case basis after the consultation referred to in clause (iii), considering the health risks involved—

''(I) be provided to appropriate broadcast media;

''(II) be prominently published in a newspaper of general circulation serving the area not later than 1 day after distribution of a notice pursuant to clause (i) or the date of publication of the next issue of the newspaper; or

''(III) be provided by posting or door-to-door notification in lieu of notification by means of broadcast media or newspaper.

''(D) WRITTEN NOTICE.—

''(i) IN GENERAL.—Regulations issued under subparagraph (A) shall specify notification procedures for violations other than the violations covered by subparagraph (C). The procedures shall specify that a public water system shall provide written notice to each person served by the system by notice—

''(I) in the first bill (if any) prepared after the date of occurrence of the violation;

''(II) in an annual report issued not later than 1 year after the date of occurrence of the violation; or

''(III) by mail or direct delivery as soon as practicable, but not later than 1 year after the date of occurrence of the violation.

''(ii) FORM AND MANNER OF NOTICE.—The Administrator shall prescribe the form and manner of the notice to provide a clear and readily understandable explanation of—

''(I) the violation;

''(II) any potential adverse health effects; and

''(III) the steps that the system is taking to seek alternative water supplies, if any, until the violation is corrected.

''(E) UNREGULATED CONTAMINANTS.—The Administrator may require the owner or operator of a public water system to give notice to the persons served by the system of the concentration levels of an unregulated contaminant required to be monitored under section 1445(a).

''(3) REPORTS.—

''(A) ANNUAL REPORT BY STATE.—

''(i) IN GENERAL.—Not later than January 1, 1997, and annually thereafter, each State that has primary enforcement responsibility under section 1413 shall prepare, make readily available to the public, and submit to the Administrator an annual report on violations of national primary drinking water regulations by public water systems in the State, including violations with respect to—

''(I) maximum contaminant levels;

''(II) treatment requirements;

''(III) variances and exemptions; and

''(IV) monitoring requirements determined to be significant by the Administrator after consultation with the States.

''(ii) DISTRIBUTION.—The State shall publish and distribute summaries of the report and indicate where the full report is available for review.

''(B) ANNUAL REPORT BY ADMINISTRATOR.—Not later than July 1, 1997, and annually thereafter, the Administrator shall prepare and make available to the public an annual report summarizing and evaluating reports submitted by States pursuant to subparagraph (A) and notices submitted by public water systems serving Indian Tribes provided to the Administrator pursuant to subparagraph (C) or (D) of paragraph (2) and making recommendations concerning the resources needed to improve compliance with this title. The report shall include information about public water system compliance on Indian reservations and about enforcement activities undertaken and financial assistance provided by the Administrator on Indian reservations, and shall make specific recommendations concerning the resources needed to improve compliance with this title on Indian reservations.''.

SEC. 21. ENFORCEMENT; JUDICIAL REVIEW.

(a) IN GENERAL.—Section 1414 (42 U.S.C. 300g–3) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) in clause (i), by striking ''any national primary drinking water regulation in effect under section 1412'' and inserting ''any applicable requirement''; and

(II) by striking ''with such regulation or requirement'' and inserting ''with the requirement''; and

(ii) in subparagraph (B), by striking ''regulation or'' and inserting ''applicable''; and

(B) by striking paragraph (2) and inserting the following:

''(2) ENFORCEMENT IN NONPRIMACY STATES.—

''(A) IN GENERAL.—If, on the basis of information available to the Administrator, the Administrator finds, with respect to a period in which a State does not have primary enforcement responsibility for public water systems, that a public water system in the State—

''(i) for which a variance under section 1415 or an exemption under section 1416 is not in effect, does not comply with any applicable requirement; or

''(ii) for which a variance under section 1415 or an exemption under section 1416 is in effect, does not comply with any schedule or other requirement imposed pursuant to the variance or exemption;

the Administrator shall issue an order under subsection (g) requiring the public water system to comply with the requirement, or commence a civil action under subsection (b).

''(B) NOTICE.—If the Administrator takes any action pursuant to this paragraph, the Administrator shall notify an appropriate local elected official, if any, with jurisdiction over the public water system of the action prior to the time that the action is taken.'';

(2) in the first sentence of subsection (b), by striking ''a national primary drinking water regulation'' and inserting ''any applicable requirement'';

(3) in subsection (g)—

(A) in paragraph (1), by striking ''regulation, schedule, or other'' each place it appears and inserting ''applicable'';

(B) in paragraph (2)—

(i) in the first sentence—

(I) by striking ''effect until after notice and opportunity for public hearing and,'' and inserting ''effect,''; and

(II) by striking ''proposed order'' and inserting ''order''; and

(ii) in the second sentence, by striking ''proposed to be''; and

(C) in paragraph (3)—

(i) by striking subparagraph (B) and inserting the following:

''(B) EFFECT OF PENALTY AMOUNTS.—In a case in which a civil penalty sought by the Administrator under this paragraph does not exceed $5,000, the penalty shall be assessed by the Administrator after notice and opportunity for a public hearing (unless the person against whom the penalty is assessed requests a hearing on the record in accordance with section 554 of title 5, United States Code). In a case in which a civil penalty sought by the Administrator under this paragraph exceeds $5,000, but does not exceed $25,000, the penalty shall be assessed by the Administrator after notice and opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code.''; and

(ii) in subparagraph (C), by striking ''paragraph exceeds $5,000'' and inserting ''subsection for a violation of an applicable requirement exceeds $25,000''; and

(4) by adding at the end the following:

''(h) CONSOLIDATION INCENTIVE.—

''(1) IN GENERAL.—An owner or operator of a public water system may submit to the State in which the system is located (if the State has primary enforcement responsibility under section 1413) or to the Administrator (if the State does not have primary enforcement responsibility) a plan (including specific measures and schedules) for—

''(A) the physical consolidation of the system with 1 or more other systems;

''(B) the consolidation of significant management and administrative functions of the system with 1 or more other systems; or

''(C) the transfer of ownership of the system that may reasonably be expected to improve drinking water quality.

''(2) CONSEQUENCES OF APPROVAL.—If the State or the Administrator approves a plan pursuant to paragraph (1), no enforcement action shall be taken pursuant to this part with respect to a specific violation identified in the approved plan prior to the date that is the earlier of the date on which consolidation is completed according to the plan or the date that is 2 years after the plan is approved.

''(i) DEFINITION OF APPLICABLE REQUIREMENT.—In this section, the term 'applicable requirement' means—

''(1) a requirement of section 1412, 1414, 1415, 1416, 1417, 1441, [1442, 1445, 1447, 1463, 1464, or 1471;] *or 1445;*

''(2) a regulation promulgated pursuant to a section referred to in paragraph (1);

''(3) a schedule or requirement imposed pursuant to a section referred to in paragraph (1); and

''(4) a requirement of, or permit issued under, an applicable State program for which the Administrator has made a determination that the requirements of section 1413 have been satisfied, or an applicable State program approved pursuant to this part.''.

(b) STATE AUTHORITY FOR ADMINISTRATIVE PENALTIES.—Section 1413(a) (42 U.S.C. 300g–2(a)) is amended—

(1) by striking ''and'' at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting ''; and''; and

(3) by adding at the end the following:

''(6) has adopted authority for administrative penalties (unless the constitution of the State prohibits the adoption of the authority) in a maximum amount—

''(A) in the case of a system serving a population of more than 10,000, that is not less than $1,000 per day per violation; and

''(B) in the case of any other system, that is adequate to ensure compliance (as determined by the State);

except that a State may establish a maximum limitation on the total amount of administrative penalties that may be imposed on a public water system per violation.''.

(c) JUDICIAL REVIEW.—Section 1448(a) (42 U.S.C. 300j–7(a)) is amended—

(1) in paragraph (2) of the first sentence, by inserting ''final'' after ''any other'';

(2) in the second sentence, by striking ''or issuance of the order'' and inserting ''or any other final Agency action''; and

(3) by adding at the end the following ''In any petition concerning the assessment of a civil penalty pursuant to section 1414(g)(3)(B), the petitioner shall simultaneously send a copy of the complaint by certified mail to the Administrator and the Attorney General. The court shall set aside [or] *and* remand the penalty order if the court finds that there is not substantial evidence in the record to support the finding of a violation or that the assessment of the penalty by the Administrator constitutes an abuse of discretion.''.

SEC. 22. FEDERAL AGENCIES.

(a) IN GENERAL.—Subsections (a) and (b) of section 1447 (42 U.S.C. 300j–6) are amended to read as follows:

''(a) COMPLIANCE.—

''(1) IN GENERAL.—Each Federal agency shall be subject to, and comply with, all Federal, State, interstate, and local substantive and procedural requirements, administrative authorities, and process and sanctions concerning the provision of safe drinking water

or underground injection in the same manner, and to the same extent, as any nongovernmental entity is subject to, and shall comply with, the requirements, authorities, and process and sanctions.

''(2) ADMINISTRATIVE ORDERS AND PENALTIES.—The Federal, State, interstate, and local substantive and procedural requirements, administrative authorities, and process and sanctions referred to in paragraph (1) include all administrative orders and all civil and administrative penalties or fines, regardless of whether the penalties or fines are punitive or coercive in nature or are imposed for isolated, intermittent, or continuing violations.

''(3) LIMITED WAIVER OF SOVEREIGN IMMUNITY.—The United States expressly waives any immunity otherwise applicable to the United States with respect to any requirement, administrative authority, or process or sanction referred to in paragraph (2) (including any injunctive relief, administrative order, or civil or administrative penalty or fine referred to in paragraph (2), or reasonable service charge). The reasonable service charge referred to in the preceding sentence includes—

''(A) a fee or charge assessed in connection with the processing, issuance, renewal, or amendment of a permit, variance, or exemption, review of a plan, study, or other document, or inspection or monitoring of a facility; and

''(B) any other nondiscriminatory charge that is assessed in connection with a Federal, State, interstate, or local safe drinking water regulatory program.

''(4) CIVIL PENALTIES.—No agent, employee, or officer of the United States shall be personally liable for any civil penalty under this subsection with respect to any act or omission within the scope of the official duties of the agent, employee, or officer.

''(5) CRIMINAL SANCTIONS.—An agent, employee, or officer of the United States may be subject to a criminal sanction under a State, interstate, or local law concerning the provision of drinking water or underground injection. No department, agency, or instrumentality of the executive, legislative, or judicial branch of the Federal Government shall be subject to a sanction referred to in the preceding sentence.

''(b) WAIVER OF COMPLIANCE.—

''(1) IN GENERAL.—The President may waive compliance with subsection (a) by any department, agency, or instrumentality in the executive branch if the President determines waiving compliance with such subsection to be in the paramount interest of the United States.

''(2) WAIVERS DUE TO LACK OF APPROPRIATIONS.—No waiver described in paragraph (1) shall be granted due to the lack of an appropriation unless the President has specifically requested the appropriation as part of the budgetary process and Congress has failed to make available the requested appropriation.

''(3) PERIOD OF WAIVER.—A waiver under this subsection shall be for a period of not to exceed 1 year, but an additional waiver may be granted for a period of not to exceed 1 year on the termination of a waiver if the President reviews the waiver and makes a determination that it is in the paramount interest of the United States to grant an additional waiver.

''(4) REPORT.—Not later than January 31 of each year, the President shall report to Congress on each waiver granted pursuant to this subsection during the preceding calendar year, together with the reason for granting the waiver.''.

(b) ADMINISTRATIVE PENALTY ORDERS.—Section 1447 (42 U.S.C. 300j–6) is amended by adding at the end the following:

''(d) ADMINISTRATIVE PENALTY ORDERS.—

''(1) IN GENERAL.—If the Administrator finds that a Federal agency has violated an applicable requirement under this title, the Administrator may issue a penalty order assessing a penalty against the Federal agency.

''(2) PENALTIES.—The Administrator may, after notice to the agency, assess a civil penalty against the agency in an amount not to exceed $25,000 per day per violation.

''(3) PROCEDURE.—Before an administrative penalty order issued under this subsection becomes final, the Administrator shall provide the agency an opportunity to confer with the Administrator and shall provide the agency notice and an opportunity for a hearing on the record in accordance with chapters 5 and 7 of title 5, United States Code.

''(4) PUBLIC REVIEW.—

''(A) IN GENERAL.—Any interested person may obtain review of an administrative penalty order issued under this subsection. The review may be obtained in the United States District Court for the District of Columbia or in the United States District Court for the district in which the violation is alleged to have occurred by the filing of a complaint with the court within the 30-day period beginning on the date the penalty order becomes final. The person filing the complaint shall simultaneously send a copy of the complaint by certified mail to the Administrator and the Attorney General.

''(B) RECORD.—The Administrator shall promptly file in the court a certified copy of the record on which the order was issued.

''(C) STANDARD OF REVIEW.—The court shall not set aside or remand the order unless the court finds that there is not substantial evidence in the record, taken as a whole, to support the finding of a violation or that the assessment of the penalty by the Administrator constitutes an abuse of discretion.

''(D) PROHIBITION ON ADDITIONAL PENALTIES.—The court may not impose an additional civil penalty for a violation that is subject to the order unless the court finds that the assessment constitutes an abuse of discretion by the Administrator.''.

(c) CITIZEN ENFORCEMENT.—The first sentence of section 1449(a) (42 U.S.C. 300j–8(a)) is amended—

(1) in paragraph (1), by striking '', or'' and inserting a semicolon;

(2) in paragraph (2), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(3) for the collection of a penalty (and associated costs and interest) against any Federal agency that fails, by the date that is 1 year after the effective date of a final order to pay a penalty assessed by the Administrator under section 1447(d), to pay the penalty.''.

(d) WASHINGTON AQUEDUCT.—Section 1447 (42 U.S.C. 300j–6) (as amended by subsection (b)) is further amended by adding at the end the following:

''(e) WASHINGTON AQUEDUCT.—The Washington Aqueduct Authority, the Army Corps of Engineers, and the Secretary of the Army shall not pass the cost of any penalty assessed under this title on to any customer, user, or other purchaser of drinking water from the Washington Aqueduct system, including finished water from the Dalecarlia or McMillan treatment plant.''.

SEC. 23. RESEARCH.

Section 1442 (42 U.S.C. 300j–1) (as amended by section 12(d)) is further amended—

(1) by redesignating paragraph (3) of subsection (b) as paragraph (3) of subsection (d) and moving such paragraph to appear after paragraph (2) of subsection (d);

(2) by striking subsection (b) (as so amended);

(3) by redesignating subparagraph (B) of subsection (a)(2) as subsection (b) and moving such subsection to appear after subsection (a);

(4) in subsection (a)—

(A) by striking paragraph (2) (as so amended) and inserting the following:

''(2) INFORMATION AND RESEARCH FACILITIES.—In carrying out this title, the Administrator is authorized to—

''(A) collect and make available information pertaining to research, investigations, and demonstrations with respect to providing a dependably safe supply of drinking water, together with appropriate recommendations in connection with the information; and

''(B) make available research facilities of the Agency to appropriate public authorities, institutions, and individuals engaged in studies and research relating to this title.'';

(B) by striking paragraph (3);

(C) by redesignating paragraph (11) as paragraph (3) and moving such paragraph to appear before paragraph (4); and

(D) by adding at the end the following:

''(11) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator to carry out research authorized by this section $25,000,000 for each of fiscal years 1994 through 2003, of which $4,000,000 shall be available for each fiscal year for research on the health effects of arsenic in drinking water.'';

(5) in subsection (b) (as so amended)—

(A) by striking ''subparagraph'' each place it appears and inserting ''subsection''; and

(B) by adding at the end the following: ''There are authorized to be appropriated to carry out this subsection $8,000,000 for each of fiscal years 1995 through 2003.'';

(6) in the first sentence of subsection (c), by striking ''eighteen months after the date of enactment of this subsection'' and inserting ''2 years after the date of enactment of the Safe Drinking Water Act Amendments of 1995, and every 5 years thereafter'';

(7) in subsection (d) (as amended by paragraph (1))—

(A) in paragraph (1), by striking '', and'' at the end and inserting a semicolon;

(B) in paragraph (2), by striking the period at the end and inserting a semicolon;

(C) in paragraph (3), by striking the period at the end and inserting ''; and'';

(D) by inserting after paragraph (3) the following:

''(4) develop and maintain a system for forecasting the supply of, and demand for, various professional occupational categories and other occupational categories needed for the protection and treatment of drinking water in each region of the United States.''; and

(E) by adding at the end the following: ''There are authorized to be appropriated to carry out this subsection $10,000,000 for each of fiscal years 1994 through 2003.''; and

(8) by adding at the end the following:

''(i) BIOLOGICAL MECHANISMS.—In carrying out this section, the Administrator shall conduct studies to—

''(1) understand the mechanisms by which chemical contaminants are absorbed, distributed, metabolized, and eliminated from the human body, so as to develop more accurate physiologically based models of the phenomena;

''(2) understand the effects of contaminants and the mechanisms by which the contaminants cause adverse effects (especially noncancer and infectious effects) and the variations in the effects among humans, especially subpopulations at greater risk of adverse effects, and between test animals and humans; and

''(3) develop new approaches to the study of complex mixtures, such as mixtures found in drinking water, especially to determine the prospects for synergistic or antagonistic

interactions that may affect the shape of the dose-response relationship of the individual chemicals and microbes, and to examine noncancer endpoints and infectious diseases, and susceptible individuals and subpopulations.

''(j) RESEARCH PRIORITIES.—To establish long-term priorities for research under this section, the Administrator shall develop, and periodically update, an integrated risk characterization strategy for drinking water quality. The strategy shall identify unmet needs, priorities for study, and needed improvements in the scientific basis for activities carried out under this title. The initial strategy shall be made available to the public not later than 3 years after the date of enactment of this subsection.

''(k) RESEARCH PLAN FOR HARMFUL SUBSTANCES IN DRINKING WATER.—

''(1) DEVELOPMENT OF PLAN.—The Administrator shall—

''(A) not later than 180 days after the date of enactment of this subsection, after consultation with the Secretary of Health and Human Services, the Secretary of Agriculture, and, *as appropriate,* the heads of other Federal agencies, develop a research plan to support the development and implementation of the most current version of the—

''(i) enhanced surface water treatment rule [(announced at 59 Fed. Reg. 6332 (February 10, 1994)] *59 Fed. Reg. 38832 (July 29, 1994)*);

''(ii) disinfectant and disinfection byproducts rule (Stage 2) [(announced at 59 Fed. Reg. 6332 (February 10, 1994)] *59 Fed. Reg. 38668 (July 29, 1994)*); and

''(iii) ground water disinfection rule (availability of draft summary announced at 57 Fed. Reg. 33960 (July 31, 1992)); and

''(B) carry out the research plan, after consultation and appropriate coordination with the Secretary of Agriculture and the heads of other Federal agencies.

''(2) CONTENTS OF PLAN.—

''(A) IN GENERAL.—The research plan shall include, at a minimum—

''(i) an identification and characterization of new disinfection byproducts associated with the use of different disinfectants;

''(ii) toxicological studies and, if warranted, epidemiological studies to determine what levels of exposure from disinfectants and disinfection byproducts, if any, may be associated with developmental and birth defects and other potential toxic end points;

''(iii) toxicological studies and, if warranted, epidemiological studies to quantify the carcinogenic potential from exposure to disinfection byproducts resulting from different disinfectants;

''(iv) the development of practical analytical methods for detecting and enumerating microbial contaminants, including giardia, cryptosporidium, and viruses;

''(v) the development of reliable, efficient, and economical methods to determine the viability of individual cryptosporidium oocysts;

''(vi) the development of dose-response curves for pathogens, including cryptosporidium and the Norwalk virus;

''(vii) the development of indicators that define treatment effectiveness for pathogens and disinfection byproducts; and

''(viii) bench, pilot, and full-scale studies and demonstration projects to evaluate optimized conventional treatment, ozone, granular activated carbon, and membrane technology for controlling pathogens (including cryptosporidium) and disinfection byproducts.

''(B) RISK DEFINITION STRATEGY.—The research plan shall include a strategy for determining the risks and estimated extent of disease resulting from pathogens, disinfectants, and disinfection byproducts in drinking water, and the costs and removal efficiencies associated with various control methods for pathogens, disinfectants, and disinfection byproducts.

''(3) IMPLEMENTATION OF PLAN.—In carrying out the research plan, the Administrator shall use the most cost-effective mechanisms available, including coordination of research with, and use of matching funds from, institutions and utilities.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $12,500,000 for each of fiscal years 1997 through 2003.

''(l) SUBPOPULATIONS AT GREATER RISK.—

''(1) RESEARCH PLAN.—The Administrator shall conduct a continuing program of peer-reviewed research to identify groups within the general population that may be at greater risk than the general population of adverse health effects from exposure to contaminants in drinking water. Not later than 1 year after the date of enactment of this subsection, the Administrator shall develop and implement a research plan to establish whether and to what degree infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations that can be identified and characterized are likely to experience elevated health risks, including risks of cancer, from contaminants in drinking water.

''(2) CONTENTS OF PLAN.—To the extent appropriate, the research shall be—

''(A) integrated into the health effects research plan carried out by the Administrator to support the regulation of specific contaminants under this Act; and

''(B) designed to identify—

''(i) the nature and extent of the elevated health risks, if any;

''(ii) the groups likely to experience the elevated health risks;

''(iii) biological mechanisms and other factors that may contribute to elevated health risks for groups within the general population;

''(iv) the degree of variability of the health risks to the groups from the health risks to the general population;

''(v) the threshold, if any, at which the elevated health risks for a specific contaminant occur; and

''(vi) the probability of the exposure to the contaminants by the identified group.

''(3) REPORT.—Not later than 4 years after the date of enactment of this subsection and periodically thereafter as new and significant information becomes available, the Administrator shall report to Congress on the results of the research.

''(4) USE OF RESEARCH.—In characterizing the health effects of drinking water contaminants under this Act, the Administrator shall consider all relevant factors, including the results of research under this subsection, the margin of safety for variability in the general population, and sound scientific practices (including the 1993 and 1994 reports of the National Academy of Sciences) regarding subpopulations at greater risk for adverse health effects.''.

SEC. 24. DEFINITIONS.

(a) IN GENERAL.—Section 1401 (42 U.S.C. 300f) is amended—

(1) in paragraph (1)—

(A) in subparagraph (D), by inserting ''accepted methods for'' before ''quality control''; and

(B) by adding at the end the following:

''At any time after promulgation of a regulation referred to in this paragraph, the Administrator may add equally effective quality control and testing procedures by guidance published in the Federal Register. The procedures shall be treated as an alternative for public water systems to the quality control and testing procedures listed in the regulation.'';

(2) in paragraph (13)—

(A) by striking ''The'' and inserting ''(A) Except as provided in subparagraph (B), the''; and

(B) by adding at the end the following:

''(B) For purposes of part G, the term 'State' means each of the 50 States and the Commonwealth of Puerto Rico.'';

(3) in paragraph (14), by adding at the end the following: ''For purposes of part G, the term includes any Native village (as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c))).''; and

(4) by adding at the end the following:

[''(15) The] *(15) COMMUNITY WATER SYSTEM.—The* term 'community water system' means a public water system that—

''(A) serves at least 15 service connections used by year-round residents of the area served by the system; or

''(B) regularly serves at least 25 year-round residents.

[''(16) The] *(16) NONCOMMUNITY WATER SYSTEM.—The* term 'noncommunity water system' means a public water system that is not a community water system.''.

(b) PUBLIC WATER SYSTEM.—

(1) IN GENERAL.—Section 1401(4) (42 U.S.C. 300f(4)) is amended—

(A) in the first sentence, by striking ''piped water for human consumption'' and inserting ''water for human consumption through pipes or other constructed conveyances'';

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(C) by striking ''(4) The'' and inserting the following:

''(4) PUBLIC WATER SYSTEM.—

''(A) IN GENERAL.—The''; and

(D) by adding at the end the following:

''(B) CONNECTIONS.—

''(i) RESIDENTIAL USE.—

''(I) IN GENERAL.—A connection described in subclause (II) shall not be considered to be a connection for determining whether the system is a public water system under this title, if—

''(aa) the Administrator or the State (in the case of a State exercising primary enforcement responsibility for public water systems) determines that alternative water to achieve the equivalent level of public health protection provided by the applicable national primary drinking water regulation is provided for residential or similar uses for drinking and cooking; or

''(bb) the Administrator or the State (in the case of a State exercising primary enforcement responsibility for public water systems) determines that the water provided for residential or similar uses for drinking and cooking is centrally treated or treated at the point of entry by the provider, a pass-through entity, or the user to achieve the equivalent level of protection provided by the applicable national primary drinking water regulations.

''(II) CONNECTIONS.—A connection referred to in this subclause is a connection to a water system that conveys water by a means other than a pipe principally for 1 or more purposes other than residential use (which other purposes include irrigation, stock watering, industrial use, or municipal source water prior to treatment)—

''(aa) for a residential use (consisting of drinking, bathing, cooking, or other similar use); or

''(bb) to a facility for a use similar to a residential use.

''(ii) IRRIGATION DISTRICTS.—An irrigation district in existence prior to May 18, 1994, that provides primarily agricultural service through a piped water system with only incidental residential use shall not be considered to be a public water system if the system

and the residential users of the system comply with subclauses (I) and (II) of clause (i).''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect 1 year after the date of enactment of this Act.

SEC. 25. GROUND WATER PROTECTION.

(a) STATE GROUND WATER PROTECTION GRANTS.—Section 1443 (42 U.S.C. 300j–2) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

''(c) STATE GROUND WATER PROTECTION GRANTS.—

''(1) IN GENERAL.—The Administrator may make a grant to a State for the development and implementation of a State program to ensure the coordinated and comprehensive protection of ground water resources within the State.

''(2) GUIDANCE.—Not later than 1 year after the date of enactment of the Safe Drinking Water Act Amendments of 1995, and annually thereafter, the Administrator shall publish guidance that establishes procedures for application for State ground water protection program assistance and that identifies key elements of State ground water protection programs.

''(3) CONDITIONS OF GRANTS.—

''(A) IN GENERAL.—The Administrator shall award grants to States that submit an application that is approved by the Administrator. The Administrator shall determine the amount of a grant awarded pursuant to this paragraph on the basis of an assessment of the extent of ground water resources in the State and the likelihood that awarding the grant will result in sustained and reliable protection of ground water quality.

''(B) INNOVATIVE PROGRAM GRANTS.—The Administrator may also award a grant pursuant to this paragraph for innovative programs proposed by a State for the prevention of ground water contamination.

''(C) ALLOCATION OF FUNDS.—The Administrator shall, at a minimum, ensure that, for each fiscal year, not less than 1 percent of funds made available to the Administrator by appropriations to carry out this subsection are allocated to each State that submits an application that is approved by the Administrator pursuant to this subsection.

''(D) LIMITATION ON GRANTS.—No grant awarded by the Administrator may be used for a project to remediate ground water contamination.

''(4) COORDINATION WITH OTHER GRANT PROGRAMS.—The awarding of grants by the Administrator pursuant to this subsection shall be coordinated with the awarding of grants pursuant to section 319(i) of the Federal Water Pollution Control Act (33 U.S.C. 1329(i)) and the awarding of other Federal grant assistance that provides funding for programs related to ground water protection.

''(5) AMOUNT OF GRANTS.—The amount of a grant awarded pursuant to paragraph (1) shall not exceed 50 percent of the eligible costs of carrying out the ground water protection program that is the subject of the grant (as determined by the Administrator) for the 1-year period beginning on the date that the grant is awarded. The State shall pay a State share to cover the costs of the ground water protection program from State funds in an amount that is not less than 50 percent of the cost of conducting the program.

''(6) EVALUATIONS AND REPORTS.—Not later than 3 years after the date of enactment of the Safe Drinking Water Act Amendments of 1995, and every 3 years thereafter, the Administrator shall evaluate the State ground water protection programs that are the subject of grants awarded pursuant to this subsection and report to Congress on the status of ground water quality in the United States and the effectiveness of State programs for ground water protection.

''(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $20,000,000 for each of fiscal years 1995 through 2003.''.

(b) CRITICAL AQUIFER PROTECTION.—Section 1427 (42 U.S.C. 300h–6) is amended—

(1) in subsection (b)(1), by striking ''not later than 24 months after the enactment of the Safe Drinking Water Act Amendments of 1986''; and

(2) in the first sentence of subsection (n), by adding at the end the following:

''1992–2003 ..... 20,000,000.''.

(c) WELLHEAD PROTECTION AREAS.—Section 1428(k) (42 U.S.C. 300h–7(k)) is amended by adding at the end the following:

''1992–2003 ..... 35,000,000.''.

(d) UNDERGROUND INJECTION CONTROL GRANT.—Section 1443(b)(5) (42 U.S.C. 300j–2(b)(5)) is amended by adding at the end the following:

''1992–2003 ..... 20,850,000.''.

(e) REPORT TO CONGRESS ON PRIVATE DRINKING WATER.—Section 1450 (42 U.S.C. 300j–9) is amended by striking subsection (h) and inserting the following:

''(h) REPORT TO CONGRESS ON PRIVATE DRINKING WATER.—The Administrator shall conduct a study to determine the extent and seriousness of contamination of private sources of drinking water that are not regulated under this title. Not later than 3 years after the date of enactment of the Safe Drinking Water Act Amendments of 1995, the Administrator shall submit to Congress a report that includes the findings of the study and recommendations by the Administrator concerning responses to any problems identified under the study. In designing and conducting the study, including consideration of research design, methodology, and conclusions and recommendations, the Administrator shall consult with experts outside the Agency, including scientists, hydrogeologists, well contractors and suppliers, and other individuals knowledgeable in ground water protection and remediation.''.

(f) NATIONAL CENTER FOR GROUND WATER RESEARCH.—The Administrator of the Environmental Protection Agency, acting through the Robert S. Kerr Environmental Research Laboratory, is authorized to reestablish a partnership between the Laboratory and the National Center for Ground Water Research, a university consortium, to conduct research, training, and technology transfer for ground water quality protection and restoration.

SEC. 26. LEAD PLUMBING AND PIPES; RETURN FLOWS.

(a) FITTINGS AND FIXTURES.—Section 1417 (42 U.S.C. 300g–6) is amended—

(1) in subsection (a)—

(A) by striking paragraph (1) and inserting the following:

''(1) PROHIBITIONS.—

''(A) IN GENERAL.—No person may use any pipe, any pipe or plumbing fitting or fixture, any solder, or any flux, after June 19, 1986, in the installation or repair of—

''(i) any public water system; or

''(ii) any plumbing in a residential or nonresidential facility providing water for human consumption,

that is not lead free (within the meaning of subsection (d)).

''(B) LEADED JOINTS.—Subparagraph (A) shall not apply to leaded joints necessary for the repair of cast iron pipes.'';

(B) in paragraph (2)(A), by inserting after ''Each'' the following: ''owner or operator of a''; and

(C) by adding at the end the following:

''(3) UNLAWFUL ACTS.—Effective 2 years after the date of enactment of this paragraph, it shall be unlawful—

''(A) for any person to introduce into commerce any pipe, or any pipe or plumbing fitting or fixture, that is not lead free, except for a pipe that is used in manufacturing or industrial processing;

''(B) for any person engaged in the business of selling plumbing supplies, except manufacturers, to sell solder or flux that is not lead free; or

''(C) for any person to introduce into commerce any solder or flux that is not lead free unless the solder or flux bears a prominent label stating that it is illegal to use the solder or flux in the installation or repair of any plumbing providing water for human consumption.'';

(2) in subsection (d)—

(A) in paragraph (1), by striking ''lead, and'' and inserting ''lead;'';

(B) in paragraph (2), by striking ''lead.'' and inserting ''lead; and''; and

(C) by adding at the end the following:

''(3) when used with respect to plumbing fittings and fixtures, refers to plumbing fittings and fixtures in compliance with standards established in accordance with subsection (e).''; and

(3) by adding at the end the following:

''(e) PLUMBING FITTINGS AND FIXTURES.—

''(1) IN GENERAL.—The Administrator shall provide accurate and timely technical information and assistance to qualified third-party certifiers in the development of voluntary standards and testing protocols for the leaching of lead from new plumbing fittings and fixtures that are intended by the manufacturer to dispense water for human ingestion.

''(2) STANDARDS.—

''(A) IN GENERAL.—If a voluntary standard for the leaching of lead is not established by the date that is 1 year after the date of enactment of this subsection, the Administrator shall, not later than 2 years after the date of enactment of this subsection, promulgate regulations setting a health-effects-based performance standard establishing maximum leaching levels from new plumbing fittings and fixtures that are intended by the manufacturer to dispense water for human ingestion. The standard shall become effective on the date that is 5 years after the date of promulgation of the standard.

''(B) ALTERNATIVE REQUIREMENT.—If regulations are required to be promulgated under subparagraph (A) and have not been promulgated by the date that is 5 years after the date of enactment of this subsection, no person may import, manufacture, process, or distribute in commerce a new plumbing fitting or fixture, intended by the manufacturer to dispense water for human ingestion, that contains more than 4 percent lead by dry weight.''.

(b) WATER RETURN FLOWS.—Section 3013 of Public Law 102–486 (42 U.S.C. 13551) is repealed.

(c) RECORDS AND INSPECTIONS.—Subparagraph (A) of section 1445(a)(1) (42 U.S.C. 300j–4(a)(1)) (as designated by section 19(a)(1)(A)) is amended by striking ''Every person'' and all that follows through ''is a grantee,'' and inserting ''Every person who is subject to any requirement of this title or who is a grantee''.

SEC. 27. BOTTLED WATER.

Section 410 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 349) is amended—

(1) by striking ''Whenever'' and inserting ''(a) Except as provided in subsection (b), whenever''; and

(2) by adding at the end the following:

''(b)(1) After the Administrator of the Environmental Protection Agency publishes a

proposed maximum contaminant level, but not later than 180 days after the Administrator of the Environmental Protection Agency publishes a final maximum contaminant level, for a contaminant under section 1412 of the Public Health Service Act (42 U.S.C. 300g–1), the Secretary, after public notice and comment, shall issue a regulation that establishes a quality level for the contaminant in bottled water or make a finding that a regulation is not necessary to protect the public health because the contaminant is contained in water in the public water systems (as defined under section 1401(4) of such Act (42 U.S.C. 300f(4)) and not in water used for bottled drinking water. *In the case of any contaminant for which a national primary drinking water regulation was promulgated before the date of enactment of the Safe Drinking Water Act Amendments of 1995, the Secretary shall issue the regulation or make the finding required by this paragraph not later than 1 year after that date.*

''(2) The regulation shall include any monitoring requirements that the Secretary determines to be appropriate for bottled water.

''(3) The regulation—

''(A) shall require that the quality level for the contaminant in bottled water be as stringent as the maximum contaminant level for the contaminant published by the Administrator of the Environmental Protection Agency; and

''(B) may require that the quality level be more stringent than the maximum contaminant level if necessary to provide ample public health protection under this Act.

''(4)(A) If the Secretary fails to establish a regulation within the 180-day period described in paragraph (1), the regulation with respect to the final maximum contaminant level published by the Administrator of the Environmental Protection Agency (as described in such paragraph) shall be considered, as of the date on which the Secretary is required to establish a regulation under paragraph (1), as the final regulation for the establishment of the quality level for a contaminant required under paragraph (1) for the purpose of establishing or amending a bottled water quality level standard with respect to the contaminant.

''(B) Not later than 30 days after the end of the 180-day period described in paragraph (1), the Secretary shall, with respect to a maximum contaminant level that is considered as a quality level under subparagraph (A), publish a notice in the Federal Register that sets forth the quality level and appropriate monitoring requirements required under paragraphs (1) and (2) and that provides that the quality level standard and requirements shall take effect on the date on which the final regulation of the maximum contaminant level takes effect.''.

SEC. 28. ASSESSING ENVIRONMENTAL PRIORITIES, COSTS, AND BENEFITS.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) ADVERSE EFFECT ON HUMAN HEALTH.—The term ''adverse effect on human health'' includes any increase in the rate of death or serious illness, including disease, cancer, birth defects, reproductive dysfunction, developmental effects (including effects on the endocrine and nervous systems), and other impairments in bodily functions.

(3) RISK.—The term ''risk'' means the likelihood of an occurrence of an adverse effect on human health, the environment, or public welfare.

(4) SOURCE OF POLLUTION.—The term ''source of pollution'' means a category or class of facilities or activities that alter the chemical, physical, or biological character of the natural environment.

(b) FINDINGS.—Congress finds that—

(1) cost-benefit analysis and risk assessment are useful but imperfect tools that serve to enhance the information available in developing environmental regulations and programs;

(2) cost-benefit analysis and risk assessment can also serve as useful tools in setting priorities and evaluating the success of environmental protection programs;

(3) cost and risk are not the only factors that need to be considered in evaluating environmental programs, as other factors, including values and equity, must also be considered;

(4) cost-benefit analysis and risk assessment should be presented with a clear statement of the uncertainties in the analysis or assessment;

(5) current methods for valuing ecological resources and assessing intergenerational effects of sources of pollution need further development before integrated rankings of sources of pollution based on the factors referred to in paragraph (3) can be used with high levels of confidence;

(6) methods to assess and describe the risks of adverse human health effects, other than cancer, need further development before integrated rankings of sources of pollution based on the risk to human health can be used with high levels of confidence;

(7) periodic reports by the Administrator on the costs and benefits of regulations promulgated under Federal environmental laws, and other Federal actions with impacts on human health, the environment, or public welfare, will provide Congress and the general public with a better understanding of—

(A) national environmental priorities; and

(B) expenditures being made to achieve reductions in risk to human health, the environment, and public welfare; and

(8) periodic reports by the Administrator on the costs and benefits of environmental regulations will also—

(A) provide Congress and the general public with a better understanding of the strengths, weaknesses, and uncertainties of cost-benefit analysis and risk assessment and the research needed to reduce major uncertainties; and

(B) assist Congress and the general public in evaluating environmental protection regulations and programs, and other Federal actions with impacts on human health, the environment, or public welfare, to determine the extent to which the regulations, programs, and actions adequately and fairly protect affected segments of society.

(c) REPORT ON ENVIRONMENTAL PRIORITIES, COSTS, AND BENEFITS.—

(1) RANKING.—

(A) IN GENERAL.—The Administrator shall identify and, taking into account available data (to the extent practicable), rank sources of pollution with respect to the relative degree of risk of adverse effects on human health, the environment, and public welfare.

(B) METHOD OF RANKING.—In carrying out the rankings under subparagraph (A), the Administrator shall—

(i) rank the sources of pollution considering the extent and duration of the risk; and

(ii) take into account broad societal values, including the role of natural resources in sustaining economic activity into the future.

(2) EVALUATION OF REGULATORY AND OTHER COSTS.—In addition to carrying out the rankings under paragraph (1), the Administrator shall estimate the private and public costs associated with each source of pollution and the costs and benefits of complying with regulations designed to protect against risks associated with the sources of pollution.

(3) EVALUATION OF OTHER FEDERAL ACTIONS.—In addition to carrying out the requirements of paragraphs (1) and (2), the Administrator shall estimate the private and public costs and benefits associated with major Federal actions selected by the Administrator that have the most significant impact on human health or the environment, including direct development projects, grant and loan programs to support infrastructure construction and repair, and permits, licenses, and leases to use natural resources or to release pollution to the environment, and other similar actions.

(4) RISK REDUCTION OPPORTUNITIES.—In assessing risks, costs, and benefits as provided in paragraphs (1) and (2), the Administrator shall also identify reasonable opportunities to achieve significant risk reduction through modifications in environmental regulations and programs and other Federal actions with impacts on human health, the environment, or public welfare.

(5) UNCERTAINTIES.—In evaluating the risks referred to in paragraphs (1) and (2), the Administrator shall—

(A) identify the major uncertainties associated with the risks;

(B) explain the meaning of the uncertainties in terms of interpreting the ranking and evaluation; and

(C) determine—

(i) the type and nature of research that would likely reduce the uncertainties; and

(ii) the cost of conducting the research.

(6) CONSIDERATION OF BENEFITS.—In carrying out this section, the Administrator shall consider and, to the extent practicable, estimate the monetary value, and such other values as the Administrator determines to be appropriate, of the benefits associated with reducing risk to human health and the environment, including—

(A) avoiding premature mortality;

(B) avoiding cancer and noncancer diseases that reduce the quality of life;

(C) preserving biological diversity and the sustainability of ecological resources;

(D) maintaining an aesthetically pleasing environment;

(E) valuing services performed by ecosystems (such as flood mitigation, provision of food or material, or regulating the chemistry of the air or water) that, if lost or degraded, would have to be replaced by technology;

(F) avoiding other risks identified by the Administrator; and

(G) considering the benefits even if it is not possible to estimate the monetary value of the benefits in exact terms.

(7) REPORTS.—

(A) PRELIMINARY REPORT.—Not later than 1 year after the date of enactment of this Act, the Administrator shall report to Congress on the sources of pollution and other Federal actions that the Administrator will address, and the approaches and methodology the Administrator will use, in carrying out the rankings and evaluations under this section. The report shall also include an evaluation by the Administrator of the need for the development of methodologies to carry out the ranking.

(B) PERIODIC REPORT.—

(i) IN GENERAL.—On completion of the ranking and evaluations conducted by the Administrator under this section, but not later than 3 years after the date of enactment of this Act, and every 3 years thereafter, the Administrator shall report the findings of the rankings and evaluations to Congress and make the report available to the general public.

(ii) EVALUATION OF RISKS.—Each periodic report prepared pursuant to this subparagraph shall, to the extent practicable, evaluate risk management decisions under Federal environmental laws, including title XIV of the Public Health Service Act (commonly known as the ''Safe Drinking Water Act'') (42 U.S.C. 300f et seq.), that present inherent and unavoidable choices between competing risks, including risks of controlling microbial versus disinfection contaminants in drinking water. Each periodic report shall address the policy of the Administrator concerning the most appropriate methods of weighing and analyzing the risks, and shall incorporate information concerning—

(I) the severity and certainty of any adverse effect on human health, the environment, or public welfare;

(II) whether the effect is immediate or delayed;

(III) whether the burden associated with the adverse effect is borne disproportionately by a segment of the general population or spread evenly across the general population; and

(IV) whether a threatened adverse effect can be eliminated or remedied by the use of an alternative technology or a protection mechanism.

(d) IMPLEMENTATION.—In carrying out this section, the Administrator shall—

(1) consult with the appropriate officials of other Federal agencies and State and local governments, members of the academic community, representatives of regulated businesses and industry, representatives of citizen groups, and other knowledgeable individuals to develop, evaluate, and interpret scientific and economic information;

(2) make available to the general public the information on which rankings and evaluations under this section are based; and

(3) establish, not later than 2 years after the date of enactment of this Act, methods for determining costs and benefits of environmental regulations and other Federal actions, including the valuation of natural resources and intergenerational costs and benefits, by rule after notice and opportunity for public comment.

(e) REVIEW BY THE SCIENCE ADVISORY BOARD.—Before the Administrator submits a report prepared under this section to Congress, the Science Advisory Board, established by section 8 of the Environmental Research, Development, and Demonstration Act of 1978 (42 U.S.C. 4365), shall conduct a technical review of the report in a public session.

SEC. 29. OTHER AMENDMENTS.

(a) CAPITAL IMPROVEMENTS FOR THE WASHINGTON AQUEDUCT.—

(1) AUTHORIZATIONS.—

(A) AUTHORIZATION OF MODERNIZATION.—Subject to approval in, and in such amounts as may be provided in appropriations Acts, the Chief of Engineers of the Army Corps of Engineers is authorized to modernize the Washington Aqueduct.

(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Army Corps of Engineers borrowing authority in amounts sufficient to cover the full costs of modernizing the Washington Aqueduct. The borrowing authority shall be provided by the Secretary of the Treasury, under such terms and conditions as are established by the Secretary of the Treasury, after a series of contracts with each public water supply customer has been entered into under paragraph (2).

(2) CONTRACTS WITH PUBLIC WATER SUPPLY CUSTOMERS.—

(A) CONTRACTS TO REPAY CORPS DEBT.—To the extent provided in appropriations Acts, and in accordance with subparagraphs (B) and (C), the Chief of Engineers of the Army Corps of Engineers is authorized to enter into a series of contracts with each public water supply customer under which the customer commits to repay a pro-rata share of the principal and interest owed by the Army Corps of Engineers to the Secretary of the Treasury under paragraph (1). Under each of the contracts, the customer that enters into the contract shall commit to pay any additional amount necessary to fully offset the risk of default on the contract.

(B) OFFSETTING OF RISK OF DEFAULT.—Each contract under subparagraph (A) shall include such additional terms and conditions as the Secretary of the Treasury may require so that the value to the Government of the contracts is estimated to be equal to the obligational authority used by the Army Corps of Engineers for modernizing the Washington Aqueduct at the time that each series of contracts is entered into.

(C) OTHER CONDITIONS.—Each contract entered into under subparagraph (A) shall—

(i) provide that the public water supply customer pledges future income from fees assessed to operate and maintain the Washington Aqueduct;

(ii) provide the United States priority over all other creditors; and

(iii) include other conditions that the Secretary of the Treasury determines to be appropriate.

(3) BORROWING AUTHORITY.—Subject to an appropriation under paragraph (1)(B) and after entering into a series of contracts under paragraph (2), the Secretary, acting through the Chief of Engineers of the Army Corps of Engineers, shall seek borrowing authority from the Secretary of the Treasury under paragraph (1)(B).

(4) DEFINITIONS.—In this subsection:

(A) PUBLIC WATER SUPPLY CUSTOMER.—The term ''public water supply customer'' means the District of Columbia, the county of Arlington, Virginia, and the city of Falls Church, Virginia.

(B) VALUE TO THE GOVERNMENT.—The term ''value to the Government'' means the net present value of a contract under paragraph (2) calculated under the rules set forth in subparagraphs (A) and (B) of section 502(5) of the Congressional Budget Act of 1974 (2 U.S.C. 661a(5)), excluding section 502(5)(B)(i) of such Act, as though the contracts provided for the repayment of direct loans to the public water supply customers.

(C) WASHINGTON AQUEDUCT.—The term ''Washington Aqueduct'' means the water supply system of treatment plants, raw water intakes, conduits, reservoirs, transmission mains, and pumping stations owned by the Federal Government located in the metropolitan Washington, District of Columbia, area.

(b) DRINKING WATER ADVISORY COUNCIL.—The second sentence of section 1446(a) (42 U.S.C. 300j–6(a)) is amended by inserting before the period at the end the following: '', of which two such members shall be associated with small, rural public water systems''.

(c) SHORT TITLE.—

(1) IN GENERAL.—The title (42 U.S.C. 1401 et seq.) is amended by inserting after the title heading the following:

''SHORT TITLE

''SEC. 1400. This title may be cited as the 'Safe Drinking Water Act'.''.

(2) CONFORMING AMENDMENT.—Section 1 of Public Law 93–523 (88 Stat. 1660) is amended by inserting ''of 1974'' after ''Water Act''.

(d) TECHNICAL AMENDMENTS TO SECTION HEADINGS.—

(1) The section heading and subsection designation of subsection (a) of section 1417 (42 U.S.C. 300g–6) are amended to read as follows:

''PROHIBITION ON USE OF LEAD PIPES, FITTINGS, SOLDER, AND FLUX

''SEC. 1417. (a)''.

(2) The section heading and subsection designation of subsection (a) of section 1426 (42 U.S.C. 300h–5) are amended to read as follows:

''REGULATION OF STATE PROGRAMS

''SEC. 1426. (a)''.

(3) The section heading and subsection designation of subsection (a) of section 1427 (42 U.S.C. 300h–6) are amended to read as follows:

''SOLE SOURCE AQUIFER DEMONSTRATION PROGRAM

''SEC. 1427. (a)''.

(4) The section heading and subsection designation of subsection (a) of section 1428 (42 U.S.C. 300h–7) are amended to read as follows:

''STATE PROGRAMS TO ESTABLISH WELLHEAD PROTECTION AREAS

''SEC. 1428. (a)''.

(5) The section heading and subsection designation of subsection (a) of section 1432 (42 U.S.C. 300i–1) are amended to read as follows:

''TAMPERING WITH PUBLIC WATER SYSTEMS

''SEC. 1432. (a)''.

(6) The section heading and subsection designation of subsection (a) of section 1451 (42 U.S.C. 300j–11) are amended to read as follows:

''INDIAN TRIBES

''SEC. 1451. (a)''.

(7) The section heading and first word of section 1461 (42 U.S.C. 300j–21) are amended to read as follows:

''DEFINITIONS

''SEC. 1461. As''.

(8) The section heading and first word of section 1462 (42 U.S.C. 300j–22) are amended to read as follows:

''RECALL OF DRINKING WATER COOLERS WITH LEAD-LINED TANKS

''SEC. 1462. For''.

(9) The section heading and subsection designation of subsection (a) of section 1463 (42 U.S.C. 300j–23) are amended to read as follows:

''DRINKING WATER COOLERS CONTAINING LEAD

''SEC. 1463. (a)''.

(10) The section heading and subsection designation of subsection (a) of section 1464 (42 U.S.C. 300j–24) are amended to read as follows:

''LEAD CONTAMINATION IN SCHOOL DRINKING WATER

''SEC. 1464. (a)''.

(11) The section heading and subsection designation of subsection (a) of section 1465 (42 U.S.C. 300j–25) are amended to read as follows:

''FEDERAL ASSISTANCE FOR STATE PROGRAMS REGARDING LEAD CONTAMINATION IN SCHOOL DRINKING WATER

''SEC. 1465. (a)''.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, we now have before us the Safe Drinking Water Act amendments of 1995, which is S. 1316. I am pleased to join with my colleagues to bring this bill to reauthorize the Safe Drinking Water Act. This legislation has broad bipartisan support. It has been a high priority for the Environment and Public Works Committee and was reported by unanimous vote; Democrats and Republicans in the committee voted for it 16–0.

We all agree that reform of the Safe Drinking Water Act is necessary. Public health protection has been strengthened by the many new standards that have been issued over the past few years. Of all the ways of keeping our public healthy, it seems to me few are more important than having the water that they drink be safe. But the pace of standard setting and the costs of new treatment and monitoring requirements have been a strain for water suppliers, especially smaller communities.

This bill includes many provisions to ease that strain on the smaller communities. There is a new grant program for drinking water revolving loan funds, which President Clinton first recommended. The States are authorized to reduce monitoring costs by developing their own testing requirements, tailored to meet the conditions in their region. This is very important. The States have this authority in this legislation.

Under this bill, States may also grant variances to the small systems that cannot afford to comply with national standards. Now, we are not rolling back health protections that are now provided. No existing standard will be weakened. The bill includes many new initiatives that will keep the national program moving forward. In the SRF grants—the State revolving loan fund grants—there are new programs to prevent pollution of source waters which are used for drinking water supply. There is a program to develop technical capacity in small systems.

The bill pushes hard for more and better science, including a research program to determine whether some groups, like children, pregnant women, or people with particular illnesses, are more likely to experience adverse effects from drinking water contaminants.

Mr. President, before describing the major provisions of the bill, I want to thank our colleagues for the hard work they have put into this legislation.

Senator KEMPTHORNE chairs the subcommittee that has jurisdiction over the drinking water program. Senator KEMPTHORNE is the principal author of this reauthorization bill and has spent months going over every detail of the legislation. So Senator KEMPTHORNE deserves tremendous credit for what we are bringing before the Senate today. I wish to take this opportunity to thank him.

Senator REID, the ranking member of the subcommittee, has been a partner in that effort and always has been very constructive.

Senator BAUCUS, the ranking member of the full committee, blazed the trail for us last year with the safe drinking water bill that passed the Senate 95–3.

The committee was assisted in the development of this bill by the fine staff of the Office of Water at EPA, including the Assistant Administrator for Water, Bob Perciasepe, and Cynthia Dougherty, who heads the drinking water office.

We also thank the many State and local drinking water officials and the representatives of their organizations who worked long and hard on this bill. Their expertise has been very helpful.

Mr. President, if we ask what is the one thing we can do that would most improve the safety of drinking water in the United States, I believe most of us would answer: Give some help to the small drinking water systems. If you can believe it, there are 54,000. I will repeat that. There are 54,000 small public water systems in our country.

What is a small system? It is one that serves fewer than 3,300 people. Some serve as few as 100 or 125 people, and some even 25 people. Some of these drinking water systems are owned by homeowners associations or trailer parks. Some are operated by town governments.

A significant number of these very small systems do not have the technical or financial resources to consistently provide safe drinking water. They cannot keep up with the testing and the treatment and the maintenance that is necessary to provide safe water every day. These are systems where the operator has no training, the consumers pay no fees for the water sometimes, and where the supply and distribution systems simply do not get the attention that is needed to keep contaminants out of the water.

The bill we are bringing before the Senate addresses this is problem in several ways. First, it establishes a grant program to provide Federal assistance to build the treatment plants that are essential to the provision of safe drinking water. EPA estimates that capital expenditures needed nationwide to comply with current requirements of the Safe Drinking Water Act total approximately $8.6 billion, that is, if we brought all the systems up to snuff, and approximately 40 percent of these expenditures will be required of small systems. Many systems are not able to build the treatment facilities to comply with these regulations unless they get some help.

Other Federal statutes mandating investment in local utility services have provided grant assistance to go along with the mandates. In other words, when we mandated from the Federal Government for clean water bills, for example, the Congress, which has provided help, and, indeed, in that particular example, the building of sewage treatment facilities, Congress has appropriated over the years $65 billion to meet the secondary treatment requirements required by 1972 amendments to the Clean Water Act. We have not provided any sort of similar assistance under the Safe Drinking Water Act in the past.

In early 1993, President Clinton proposed creation of a State-revolving loan fund for those funds for drinking water capital investments modeled after the Clean Water Act loans. This bill authorizes $600 million in fiscal year 1994 and $1 billion per year through fiscal year 2003 for this new SRF Program. This authorization is sufficient to cover the capital investments in treatment needed to comply with Federal health standards.

Priority funding would go to projects to address the most serious public health problems and to communities most in need. Who will get the money? Those communities that most need the help as determined by the States—not by big brother in Washington, but by the States—and those projects that needed to address the most serious health problems.

In contrast to the SRF Program under the Clean Water Act, States may provide grants to systems. In other words, from this State-revolving loan fund in this bill, in safe drinking water the State can give grants to systems that cannot afford to repay.

As a second step to help small systems, the bill asks each State to adopt what is known as a capacity development strategy to help the small systems.

What is this all about? A strategy might include training for the operators of drinking water systems, or technical assistance to develop new and safer water supplies, or it might encourage consolidation or regional management to make better use of the resources. We are relying on the States to take the lead in designing capacity strategies for the small systems.

This is not some heavyhanded mandate from Washington to the States, but, instead, it is up to the States. We do not, from Washington, enforce the direction of operators who do not get training, for example. But we suggest it be done and we give assistance to do it.

We are looking to the States, to the Governors, and to the legislatures to take the big steps. Here is a chance to show that a major problem can be resolved by the States through cooperation and incentives rather than by command and control from Washington. The ultimate judgment on the success or failure of this bill will depend in large part on what the States do with this opportunity.

There are several other provisions to help small systems. States are authorized to grant variances to small systems that cannot afford to comply with national primary drinking water regulations. A portion of the SRF funds may be set aside for technical assistance, as I mentioned, to small systems, and the cost of training operators may be included in the SRF grants or loan.

States may reduce monitoring requirements. This is very important. The States do not have to meet a certain steady monitoring system. They can reduce those requirements for many contaminants for small systems that do not detect a contaminant in the first test of a quarterly series.

There are two other major provisions in this bill that I wish to describe briefly. The first relates to the criteria that EPA uses to select contaminants for

regulation. The second concerns considerations that go into establishing national health standards. Because EPA failed to take action to set national standards for contaminants that were of public health concern, the 1986 amendments listed 83 specific contaminants and required EPA to set standards for those by 1989.

The legislation—here was a big problem with that legislation we passed—directed EPA to set standards for an additional 25 contaminants every 3 years beginning in 1991.

This single provision—that is, adding 25 new contaminants every 3 years—has provoked more critical comment than virtually any other element that we have dealt with in all the environmental laws we have. Some of the 83 contaminants for which standards are required occur so infrequently that the costs of monitoring far outweigh any health benefits that could be realized.

The mandate that EPA set standards for an additional 25 contaminants every 3 years, regardless of the threat posed by those contaminants, was for many the quintessential example of an arbitrary Federal law imposing burdens on consumers and the taxpayers with no rational relationship to the public benefit that might be realized. This bill repeals the requirement that EPA regulate an additional 25 contaminants every 3 years. Instead, there is a selection process that gives EPA the discretion to identify contaminants that warrant regulation in the future.

How do you do this selection process? Every 5 years EPA publishes a list of high-priority contaminants that should receive additional study.

EPA may require monitoring at public water systems for up to 20 unregulated contaminants, to gather information on the occurrence of these contaminants in public systems.

Decisions made by EPA under the act are to be guided by new principles for sound science.

EPA is to set aside $10 million from the annual appropriations for SRF, for the State-revolving fund grants, to conduct health effects research on contaminants that are candidates for regulation. In other words, EPA gives a hand with all of this.

Every 5 years, EPA is to make regulatory decisions for at least 5 contaminants, announcing whether they warrant regulation or not.

Finally, let me turn to the issue of standard setting. This has been the most contentious issue in this reauthorization debate. I believe the committee has developed a sound compromise that deserves the support of all Senators.

Under current law, EPA establishes drinking water standards through a two-step process. First, the administrator identifies the maximum contaminant level goal reflecting a concentration of the contaminants in drinking water at which no adverse effects will occur.

Then, the administrator sets an enforceable standard as close to this absolutely safe goal as possible, as feasible. ''Feasible,'' what does that mean? That the level can be reached by large regional water systems applying best available technology.

In other words, what is the policy to meet these goals. We do not use what the little systems can do, but what the big systems can do. EPA takes into account the costs to identify the best available technology.

The treatment system must be affordable. What is affordable? Well, they use the standard that it costs less than $100 per household per year for the large systems.

Now, this approach is all right because 80 percent of the population—this is a very important statistic—80 percent of the population of the United States receives its drinking water from large systems. Safe water can be provided to this 80 percent at an affordable cost. They can afford the best available technology. Indeed, the compliance cost for large cities average not $100 per household, but $20 per household per year.

However, there is a problem with this system. There are three problems. First, the treatment technology affordable to the large systems may be unaffordable to the small system and would push the per household cost way up for these small systems.

Second, for some contaminants, this approach to standard setting can impose large costs while producing only small gains in public health. Although the treatment technology may be entirely affordable for the large systems, the incremental health benefits of addressing the relatively small health risk presented by some contaminants do not justify the aggregate cost. It is just not worth it for the small systems because the benefit you get is so small for the cost.

Third, the use of some treatment technologies may actually increase risk from some contaminants. For example, chlorine is used to kill pathogenic organisms, but that may result in increased cancer risk from disinfection byproducts. In other words, you take care of something and it causes a greater risk of something else.

Now, read literally, the existing statute requires EPA to overcontrol some contaminants to a degree that overall public health risks from drinking water would be greater using this new technology. The bill we bring to the Senate today includes several provisions to respond to these problems in standard setting.

The States may provide variances to small systems. If it is all right for the big system, not very expensive because you have so many households, the States can say to the small systems: No, you do not have to do that. We give you a variance. EPA may balance competing risks from several contaminants if the treatment technology to control one would increase the risk from the other, which I just previously mentioned.

EPA may set standards at a level less stringent than ''feasible'' if the costs of a standard reflecting best available technology are not justified. In other words, this is not somebody in EPA saying you have to reach this standard even though the costs are astronomical. Costs can be figured in. There is a cost-benefit factor involved here. The unique characteristics and risks of some contaminants, including arsenic, radon, or sulfate, are addressed with special standard-setting provisions. Although the bill includes new risk assessment and cost-benefit considerations to address unresolved problems, EPA may not use this authority to relax any existing standard unless new science indicates that a less stringent standard would be equally protective.

It appears we have secured broad bipartisan support for a series of reforms to this act, a law that has, indeed, been controversial. Achieving this reflects the contributions of many Senators, as I mentioned. Reaching this degree of consensus has generated much controversy, and the fact that we have this unanimity so far is quite an achievement.

So, again, I congratulate Senator KEMPTHORNE for his work. I know he joins me in extending appreciation to Senator REID, Senator BAUCUS, and all the others I previously mentioned.

We are ready to go, Mr. President. I thank the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, first of all, I want to inform the Senate that the manager of the bill, Senator BAUCUS, is temporarily away from the floor and will return shortly.

The bill before this body is, of course, the Safe Drinking Water Act Amendments of this year, 1995. This legislation, I believe, is Congress at its finest. What I mean by that is that this is a bill that is brought to this point by building consensus. It was not easy. It was difficult. But I think the people in the State of Rhode Island, the people in the State of Montana, the people in the State of Idaho are well served with the way their Senators handled this legislation.

Whether we like it or not, legislation is the art of compromise. Legislation is the art of consensus building, and that is what this legislation is all about. This bill is not everything that I like. It is not everything, I am sure, that my colleagues, the Senator from Idaho and the Senators from Montana and Rhode Island, think is a perfect bill. But it is a good bill. It is a tremendous improvement over anything we have been able to do before.

Where there has been rancor among the parties on other items before the Senate, and even in our committee, this bill has been negotiated for the better part of a year and as a result of the negotiations, we have come up with this fine piece of legislation. This is a bipartisan effort. The Senate will address the drinking water problems of

this country in this legislation and, as a result of this bill passing—and I have every belief it will pass—the people of this country will be well served by having the assurance that the water they are drinking is safe.

I recognize, as I have indicated, that not everyone is going to be totally happy with what is in this legislation. But it is a good, sound, reasonable, rational piece of reform legislation. This is truly reform legislation. I support the bill for lots of reasons, but let me mention just a few of them.

This bill, all Members of the U.S. Senate should realize, represents a balance. It is a balance that has been reached, and I think it has been done with great thought and consideration. There is no question that we must begin with the presumption that water in the United States is not necessarily safe if you drink it. There are increasing threats of contamination and pollution.

I can remember, as a young boy, we would drive once in a while down to the river, the Colorado River. My father told me something that was certainly true in those days, that if the water was running, it was safe, you could drink it, because as the water progressed it was cleansed as it proceeded through the rocks and the pebbles and the bushes—it was clean. That is not the case anymore. Things are put in water so that the mere fact that it is running no longer makes it safe. I cannot tell my children the same thing my father told me about having safe drinking water.

So there are increasing threats of contamination and pollution. That is what this legislation is all about. The bill provides for drinking water standards and the means by which drinking water systems can meet the standards. Again, I repeat, this legislation is to allow people, when they drink water in the United States, to feel they are drinking safe water, that the contaminants have been removed and there are procedures to make that water safe.

The bill incorporates sound science into the Administrator's decisionmaking and contaminant regulations. The bill establishes, importantly, as has been clearly explained by the chairman of the committee, a revolving loan fund to assist drinking water systems in complying with drinking water standards. In accordance with the Unfunded Mandates Act, which the Senator from Idaho worked so hard in accomplishing, it establishes money for States and drinking water systems to help comply with the act. I think we should all be very careful of amendments that come on the floor today, that we do not violate what we have worked so hard to accomplish in this legislation; that is, we are not going to force upon the States and local governments things that they do not have the money to comply with. I think that should be the watchword of the amendments that are offered here today. We truly meant what we said when we passed the unfunded mandates legislation very early this year.

Even technical assistance funds for the small drinking water systems are provided for in set-asides. Additionally, States and local authorities are given greater flexibility, as, again, was explained so well by the chairman of the committee. States and local authorities are given greater flexibility in the implementation and development of their capacity development strategies. The bill also equips the Environmental Protection Agency with greater flexibility in setting drinking water standards that were based on peer-reviewed science, with the benefits and risks associated with contaminants. The Environmental Protection Agency will be focusing its scarce resources on important health risks that are grounded in valid science rather than spending all their time, effort and money on matters that really did not allow for us to arrive at the conclusion it was necessarily better water to drink.

I also want to make a few observations about the Environmental Protection Agency. I believe this agency has served this country well. It has been maligned, but wrongfully so, in my estimation. I do not think we should be passing laws out of fear of antagonism to an agency. I think this agency has had a noble mission, one part of which is to make sure that we have safe drinking water. We all recognize that reform and change must occur, and that is what they are doing with this legislation. I emphasize to my colleagues, there are certain things the Administrator has already initiated, reforming the Environmental Protection Agency generally.

The Safe Drinking Water Act Amendments of this year should not be about agency procedures and management, nor should the Safe Drinking Water Act be about regulatory reform issues that have dominated so much of the debate this year. This bill is about drinking water, about the water that we drink, our children drink, and our children's children will drink. That is what we should be talking about during this debate on this legislation: Will water be safer as a result of this legislation passing? That is, the drinking water that we all partake of, will it be safer as a result of this legislation?

This bill, I think, should either protect the drinking water of the homes and communities of this Nation, or we should not be here. I believe the chairman of the full committee, the ranking member, the chairman of the subcommittee and the ranking member, feel very strongly that this is good legislation that will make the water we drink safer.

There are other reasons I support this legislation. There are many small systems in Nevada, hundreds of small systems in Nevada. These systems must also be such that the water that comes out of those systems is safe drinking water.

Five years ago, on November 16, the President, President Bush, signed a very important bill. It settled a 100-year water war between the States of California and Nevada. It preserved the wetlands that had been in existence for up to 10,000 years, some 80,000 acres that had been drawn down to less than 1,000 acres and were very toxic in nature. We resolved that and resolved the problems of two Indian tribes, two endangered species, some agricultural problems we had, and solved some water problems for the cities of Reno and Sparks.

I mention how complicated that was, but the most difficult problem we had in the entire legislation was not the things I mentioned. It was not endangered species. It was not the wetlands. It was not all the other things I talked about. It was in the Lake Tahoe basin, in California and Nevada—it was what we did about those little water companies. Some of them were so small, as the chairman of the committee mentioned, they served 25 people. In Lake Tahoe there were over 100 water companies. In some of them the systems were so bad they had to leave the water running all year or the lines would freeze up. This legislation will allow those small water systems to have the assurance there will be safe drinking water. We are not going to force them into doing anything.

Since that time, a number of those companies have merged. We do not have the myriad of problems we had before. But, even if we did, this legislation takes into consideration small water companies like are in the Tahoe basin. So this legislation really, I believe, addresses the problems of rural America.

We, in Congress, address the problems of big cities. We spend almost all of our time on big cities. The State of Nevada, surprisingly, is the most urban State in America. Mr. President, 90 percent of the people in Nevada live in the metropolitan areas of Reno and Las Vegas. Yet we are the seventh largest State of all the 50 States. We have 73 million acres. But most of the land is not where most of the people are. Those people outside Reno and Las Vegas need the assurance they are going to have safe drinking water. I was born and raised in Searchlight, NV. It is a very small place. It is getting bigger. If you take all the little communities around Searchlight, they have 1,000 people. We want to make sure the people of Searchlight have safe drinking water. This legislation does that. This legislation really takes care of rural America. It does not neglect rural America or urban America as we do many times.

Is this good legislation? I think it is important legislation. It is reasonable reform. It benefits the communities and ensures the health and safety of Americans. It is legislation that is—I repeat—compromise legislation. This is not just a catchy phrase. But this is reasonable reform, and it is true reform.

Mr. President, I extend my congratulations to the chairman of the full

committee, and ranking member, and also the chairman of the subcommittee that I have worked with. He has been very reasonable. We have not agreed on everything all year, but he has made every effort to reach out to the rest of the subcommittee to make sure that we have all the input that we feel is necessary.

I say this with the tremendous difficulty which we are having now with all the money things—the continuing resolution and extending the debt limit. I think people, especially in the other body, can take a real lesson from what this legislation is all about. I do not think there is anyone that I have come across that has had stronger principles in the legislative process than the Senator from Rhode Island, and certainly the Senator from Idaho, but they have had to compromise in this legislation.

I say to the people in the other body as we are grinding down trying to work things out in the last few weeks of this legislative session—everyone, Democrat and Republican alike—that they can look at this legislation and say there is hope for the money problems we have in this country, if they follow as an example what we have done here.

This is true reform, and I think it is legislation that is at its best. I am happy to have been a part in this bill arriving to the point where it is now. This is good legislation.

I ask the Members, both Democrats and Republicans, to support this legislation.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. KEMPTHORNE. Mr. President, I am pleased to stand here today in support of the Safe Drinking Water Act Amendments of 1995. I believe that this is a strong bill, that will improve public health, give States and local governments the authority and flexibility they need to target their scarce resources on high priority health risks, and lay the foundation for a safe and affordable drinking water supply into the 21st century.

Mr. President, this legislation is long overdue. Over the past year, I have heard from dozens of State and local officials, consumers, representatives from industry and even EPA. Their perspectives are different, but their message was a shared one: Virtually everyone agrees that the current law simply does not work. It does not target those contaminants most likely to be found in drinking water; it does not ensure that standards are set based on the best available, peer-reviewed science; and it does not provide States and local governments with the tools that they need to ensure that citizens have safe and affordable drinking water.

Jeffrey Wennberg, the mayor of Rutland, VT, said it best.

> There is no public health responsibility of greater concern to local elected officials than the provision of consistently safe, plentiful, and affordable drinking water. This is the only product or service that we provide that directly affects the health and well-being of every one of our constituents every day. Unfortunately, the Safe Drinking Water Act, as amended in 1986, has often confounded our efforts to meet this responsibility.

Federal policy makers agree. Former EPA Deputy Administrator Robert Sussman summed it up when he acknowledged that:

> Safe Drinking Water Act implementation has harmed the agency's credibility by becoming a potent symbol of the rigidity and costliness of Federal mandates on local governments and the overprotectiveness of the EPA standard setting process. Reforms should strive for maintaining environmental protection while achieving more flexibility in priority setting, lower compliance costs, and greater state and local involvement in decision making.

Many of the concerns raised by critics of the Safe Drinking Water Act are the direct result of unrealistic and in many cases overzealous mandates imposed by the 1986 amendments to the Safe Drinking Water Act. These amendments, although well-intentioned, went too far to one extreme—command and control regulation took the place of common sense. With the Federal Government at the helm, we imposed rule after rule on State and local governments, requiring them to spend literally billions of dollars to comply with burdensome Federal standards, often with little or no consideration of the true nature of the risk to public health, the cost of compliance, or the availability of less intrusive alternatives.

Yet, while we are asking States and local governments to devote scarce resources to safeguard against potentially remote risks, we are ignoring more immediate and real risks to public health and safety. In 1993, for example, a known disease-causing agent—cryptosporidium—contaminated the drinking water supply in Milwaukee, WI. Over 400,000 people became sick and 104 people died from the cryptosporidium outbreak. There have been other outbreaks of cryptosporidium contamination since then. Cryptosporidium was not regulated in 1993 and it still is not in 1995. Clearly, current law is not adequately protecting the public from true health threats. We need to do better. Americans should not get sick from their drinking water. It is time to change direction.

The bill we are here today to debate responds to the legitimate concerns that have been raised and provides important midterm corrections to a regulatory scheme mired in ill-focused, often unjustified and certainly costly mandates. It reflects months of negotiations with various stakeholders and the efforts of many of my colleagues, particularly Senator CHAFEE, the chairman of the Senate Environment and Public Works Committee, with whom it is a great pleasure for me to work, and I appreciated the comments he made in his opening statement this morning; Senator BAUCUS, the ranking member of the committee; Senator REID, the ranking member of the Senate Subcommittee on Drinking Water, Fisheries and Wildlife, of which I am the chairman. The partnership that HARRY REID and I have been able to forge I think suggests that there will be other successes which will come forward from that subcommittee, and I greatly appreciated his kind words this morning.

I also want to acknowledge Senator KERREY of Nebraska, who has been instrumental in the negotiations over drinking water reform. He was a catalyst toward a bipartisan effort here today. I appreciate the efforts of all of these individuals and the assistance over the past year.

In drafting this legislation, we were guided by three fundamental principles. First and most importantly, we wanted not only to preserve public health, but also to improve it. Second, we wanted to strengthen the partnership between the Federal Government and State and local officials who are primarily responsible for providing safe and affordable drinking water. And third, we would impose no unfunded mandates. The bill that is before the Senate today satisfies each of these principles.

Let me highlight a few of the key concepts of the legislation.

First, the legislation substantially strengthens current law to ensure that all Americans have safe and affordable drinking water. It revises the standard setting process so that the Administrator is no longer required arbitrarily to identify and regulate 25 new contaminants every 3 years. Instead, the Administrator is given the authority and flexibility to target her regulatory resources on those contaminants that are actually present, or likely to be present, in drinking water, and that, based upon the best available peer-reviewed science, are found to pose a real risk to public health. Once the Administrator has identified a contaminant of concern, the bill requires that she evaluate several regulatory options, taking into consideration both the benefits of each option and the real costs that will be borne by those responsible for complying with any new standards.

Our intent was simple. Drinking water standards should not be set just because they are technologically feasible as they are under current law; they must also be justifiable. If we are going to demand that our states, counties and towns spend billions of dollars to comply with new chlorine standards, for example, at the very least, we owe them the assurance that these are dollars well spent. We must be particularly sensitive to this when we apply, as we do in the Drinking Water Act, new standards to small communities that must already comply with and pay for numerous other Federal regulations. For example, one town in my home State of Idaho, McCall, with a

population of approximately 2,000, must invest in a new wastewater treatment plant, a new filtration system, and make improvements in its infrastructure to deliver drinking water. As one community leader told me, ''We've seen a 500-percent increase in our sewer rates, and we're struggling. If we have to go back and raise rates again, or float a bond, or whatever it takes to finance compliance with Federal requirements, we need to know that what we're being asked to do makes sense in terms of public health protection.'' As a former Mayor, I share his concerns.

By targeting scarce resources on regulating contaminants that truly threaten public health, and by tailoring drinking water standards to maximize the benefits of regulation for the cost, we increase the overall level of protection that we offer everyday users of drinking water.

The legislation also recognizes that in many cases, it is easier and more cost effective to prevent contaminants from getting into source water for a drinking water system, rather than to try to remove them by regulation after they are in the system. This bill encourages States to develop source water protection partnerships between community water systems and upstream stakeholders to anticipate and solve source water problems before they occur. These are voluntary, incentive-based partnerships. Our experience in my home State of Idaho has repeatedly demonstrated that these kinds of programs work, and work well. Locally-driven solutions that stakeholders themselves develop in a non-regulatory, nonadversarial setting will often achieve a far greater level of protection than otherwise through mandatory restrictions on land use or other regulations dictated by Federal agencies within the beltway. The bill's voluntary source water protection program provides another tool for States and local governments to improve public health, target local risks, and maximize resources.

The legislation also strengthens the existing partnership between the Federal Government and the States in implementing the Safe Drinking Water Act. It preserves the strong role for the Federal Government in developing drinking water standards, but for the first time gives States the flexibility to tailor Federal monitoring and other requirements to meet their specific needs. This is just good common sense. It makes no sense, for example, to require Idaho drinking water systems to spend thousands of dollars to monitor for a pesticide that may be used only on citrus crops.

The legislation also provides needed relief through a variance process to small, financially strapped systems. These systems, in certain circumstances, may use alternative, affordable treatment technologies that do not achieve full compliance with federal standards, provided that they achieve an overall level of improvement in their drinking water. These types of system specific adjustments are important because they allow States and local governments to target their scarce resources to achieve the greatest overall level of protection.

One of the most significant elements of this legislation is the commitment for the first time of Federal resources to assure that the nation's drinking water supply is safe. The legislation authorizes up to $1 billion annually for a State revolving loan fund, which the States then match with an additional 20 percent. These funds will be available to States and local drinking water systems to construct needed treatment facilities to comply with Federal standards. We recognize that many communities simply cannot advance the funds that are needed to respond to new regulations. The Federal loan fund gives them the initial boost that they need.

Importantly, the legislation also authorizes approximately $53 million for health effects research, including research on the health effects of cryptosporidium and disinfectants, and their potential effect on sensitive groups, like pregnant women, children, and those with serious illnesses. I believe that this research is essential to ensure that we continue to target our regulatory resources on true threats to public health, while making sure that we never let another cryptosporidium outbreak take us by surprise.

While flexibility, sound science, and reduced costs may be the watchwords of this legislation, it bears noting that the one term that you will not hear in connection with this bill is ''unfunded mandate.'' The 1986 Safe Drinking Water Act, by way of contrast, is the classic example of a Federal unfunded mandate that this Congress overwhelmingly rejected when we passed the Kempthorne-Glenn Unfunded Mandates Reform Act this year.

Using the 1986 law as a case study of an unfunded mandate, the Congressional Budget Office just last month issued a report which found that:

> State and local officials have voiced strong opposition in recent years to the growing number of Federal requirements. At the local level, environmental requirements are perceived to be particularly onerous, and the Safe Drinking Water Act is often cited as one of the most burdensome requirements.

The report concluded that the average cost of compliance with existing drinking standards is between $1.4 billion and $2.3 billion per year. It went on to note that compliance costs could increase substantially as a result of four proposed regulations that EPA is currently considering. In fact, compliance with just one of these proposed regulations alone—the so-called disinfectants and disinfection by-products rule—could cost drinking water systems as much as $2.6 billion dollars per year once it is fully implemented. Most systems cannot afford these kinds of costs, particularly since the CBO study makes it clear that it is extremely uncertain that these costs will reduce health risks.

Even without the Federal commitment of funds, there are in fact fewer mandates to fund than under current law.

The Congressional Budget Office has confirmed that this legislation does not impose unfunded mandates under the Unfunded Mandates Reform Act. In its analysis of this legislation, the CBO stated that the legislation's standard setting provisions, including the risk assessment and cost benefit language would ''lower the cost of compliance for local water systems.'' The CBO concluded that ''the bill would likely result in significant net savings to state and local governments.''

Make no mistake about it. This bill will work. It will improve public health and reduce our costs at the same time. Do not just take my word for it, though. Listen to those who are responsible for providing safe drinking water. They overwhelmingly support this legislation.

The National League of Cities has said that the legislation:

> will strengthen and revise the current law to assure that limited government resources are targeted on contaminants of public health concern that are actually found in the nation's drinking water supplies . . . The measure is creative and innovative in that for the first time it establishes a funding source to assist communities.

The American Water Works Association:

> believes that this legislation is a major step forward in the direction of better public health; safer drinking water; and more responsive government. The sensible reforms contained in this bill represent a common sense solution that supports both environmental protection and regulatory reform.

The Association of Metropolitan Water Agencies has praised the legislation, stating that it:

> opens the door on a new era of Federal lawmaking, where the Federal Government, States, and local government and the public entities responsible for implementing the law, can work together to solve problems that impact the entire Nation.

Even the EPA agrees. EPA Administrator Carol Browner recently appeared before the Senate Environment and Public Works Committee and testified that the agency is looking for a new drinking water law that ''will strengthen public health protection; provide improved regulatory flexibility; promote preventive efforts to keep the pollution and contamination out of our drinking water in the first place; and provide public funding to help communities upgrade their drinking water facilities.'' This legislation, in her words, provides a ''framework and is a step in the right direction'' to achieve these important goals.

In conclusion, Mr. President, we have taken an important step forward in improving the way in which we regulate drinking water. Does this legislation solve all the problems? Of course not. But it will bring common sense back into the standard setting process,

make it easier for states to comply with the most important requirements, streamline the bureaucracy, and reduce overall costs to most systems. And it will do all of this without jeopardizing public health. That is an achievement that we should all be extremely proud of.

I hope that you will join me and Senator CHAFEE, Senator BAUCUS, Senator REID, and Senator KERREY in taking this first step and support this legislation.

Mr. President, I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent that Senator LEVIN be added as a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, today, the Senate begins consideration of S. 1316, a bill to reauthorize and reform the Safe Drinking Water Act.

We all understand the need to reform the Safe Drinking Water Act. It contains a number of provisions that are too rigid and too costly.

At the same time, we must protect public health. After all, this is not some theoretical exercise. We are talking about the water that we and our children drink. Two quarts a day, every day of our lives.

To my mind, this bill strikes the right balance.

It will reduce regulatory burdens. Unnecessary regulations, redtape.

At the same time, it will not jeopardize public health. In fact, in several important ways, it will increase protection of public health.

Before turning to details, I would like to take a few minutes to put this legislation in perspective.

Mr. President, Americans expect to be able to turn on the tap, fill a glass, and drink the water—without getting sick. They expect safe drinking water in their homes and in their local communities.

They expect safe drinking water when they move to a new community. They expect safe drinking water when they travel.

When people from Conrad, MT visit Billings, Spokane, or Boston, or when people come to visit their nation's capital, they expect to be able to drink the water without getting sick or without the worrying about getting sick.

Ever since 1974, the Safe Drinking Water Act has guided Federal, State and local efforts to assure that the water Americans drink is clean and pure. In the last several years, however, there has been growing concern that some provisions of the act misdirect Federal resources.

There also has been concern that the act imposes regulatory burdens that local water systems simply cannot comply with, no matter how hard they try. More specifically, critics of the act point to several flaws:

Local officials who operate drinking water systems, especially small systems, are buried under a mountain of redtape. The operators of these systems are trying to provide a basic public service to their neighbors. The job is difficult enough without monitoring requirements that cannot be met.

There is another problem: Technology costs have skyrocketed. Again, this is particularly a burden on those who operate small systems in rural areas.

These small systems have what the economists call limited economies of scale. They cannot spread their costs across a large number of ratepayers. Nevertheless, in many cases, it costs them just as much to comply with the law as it costs large urban systems who do spread their costs.

On top of all of this, the standards-setting system in current law keeps rolling along, with 25 new contaminants regulated every 3 years, whether they are needed or not. And we have not provided federal funds to help communities meet their increased obligations.

Because of all these problems, it seems that the Safe Drinking Water Act has become the very symbol of concern about unfunded mandates.

But we have to get beyond symbolism, to solutions.

That is exactly what this bill does.

Senator CHAFEE, Senator KEMPTHORNE, Senator REID and I have been working closely, with Senators on both sides of the aisle, with the Administration, with the environmental community, and with State and local groups.

As a result of this work, the bill before us today, S. 1316, makes significant improvements in the law.

It creates a new State revolving loan fund for drinking water. It reforms the standards-setting process and the monitoring requirements. It lightens the burdens on small communities, while continuing to protect public health.

It also addresses risk. We have had a lot of debates about risk assessment this year.

Risk assessment is not a magic answer to all our problems. But it can be an important tool, applied to specific problems.

This bill does that, by applying risk-based concepts to contaminant selection and standard-setting.

Mr. President, our Chairman, Senator CHAFEE, has described the provisions of the bill ably and in detail.

I would simply like to emphasize three features of the bill that I consider particularly important.

First, the bill creates a new revolving loan fund. We all talk about unfunded mandates. With this bill, we put some money where our mouths are.

The biggest problem facing drinking water systems, especially small systems, is the lack of funding to build adequate treatment facilities. They simply cannot afford to comply with the current requirements of the act.

To address this, the bill establishes a State Revolving Loan Fund similar to the Clean Water Act revolving fund.

The money can be used by all States to help communities comply with drinking water standards, restructure their operations, or find alternative sources of water.

The fund is authorized at a level of $600 million in fiscal year 1994, and thereafter at $1 billion annually through fiscal year 2003.

Initially, grants for the drinking water State revolving funds will be distributed according to the formula currently used to allocate Federal grants to States for drinking water oversight programs.

Beginning in fiscal year 1998, funds will be distributed according to the results of an EPA survey of drinking water needs.

Another thing about the SRF. It provides flexibility. States can respond to their own needs. They can provide grants to disadvantaged communities. They can offset a program shortfall.

They can help local water systems develop customized monitoring programs and source water programs.

And they can shift funds between their clean water or drinking water revolving loan funds, in order to meet their most pressing problems.

So we provide both funding and flexibility.

A second important feature is the bill's reform of the regulatory program.

For example, one of the most troublesome requirements, in all of our environmental laws, is the requirement that EPA regulate 25 additional drinking water contaminants every 3 years, whether or not those contaminants really threaten public health.

As a result, EPA is required to issue regulations that may impose high costs for little public health benefit.

The bill replaces that requirement with a new provision requiring EPA to periodically review the need to regulate additional contaminants. That way, we can focus our limited resources on the most important problems.

The bill also reforms monitoring requirements, the standard setting process, and other elements of the law.

In each case, the objective is to focus our resources on the most important problems.

The third important feature is special help for small community water systems.

In the country as a whole, more than 85 percent of the drinking water systems in this country are small.

In my home state of Montana, 688 of the 694 community water systems serve less than 10,000 people, and there is not one system serving more than 100,000 people.

While small systems only serve about 10 percent of the people, they bear about 40 percent of the cost of the Safe Drinking Water Act.

The bill provides special help to small systems that cannot afford to

comply with the drinking water regulations and can benefit from technologies geared specifically to the needs of small systems.

Here is how it would work. Any system serving 10,000 people or fewer may request a variance to install special small system technology identified by EPA. What this means is that if a small system cannot afford to comply with current regulations through conventional treatment, the system can comply with the act by installing affordable small system technology.

Small systems that seek a variance will be protected from financial penalties while their application is being reviewed, and they would have 3 years to install the affordable technology.

States approve the variance, but only if the technology provides adequate water quality and public health protection.

So small systems are not forced to use big city treatment. But they must fully protect public health.

Another way that this bill provides help to small systems is through technical assistance. Many small systems just need some advice on how to meet some of the requirements of the law or operate equipment. For example, the Rapelje water system in Yellowstone County, MT was advised through the technical assistance program in our State to install a pressure relief valve in its system, an action that will save the system a considerable amount in repairs.

This bill recognizes the importance of the technical assistance program for small systems by increasing the authorization for the program and allowing the States to use up to 2 percent of their SRF money for small system technical assistance.

Mr. President, putting all this together, the bill provides funding, reforms regulations, and recognizes the special problems of small rural systems.

But in doing so, it does not relax existing standards or weaken provisions of the act that are necessary to protect public health.

In fact, in addition to allowing EPA, States, and local communities to target resources to the greatest threats, the bill improves the act's enforcement and compliance provisions.

And it improves the important provisions that require water system operators to alert people about drinking water problems in their communities, especially problems that create health threats.

In summary, Mr. President, this bill is good news indeed.

And not only because it improves the Safe Drinking Water Act.

There is another reason. This bill shows that we can get something done around here.

During this Congress, most debates about the environment have deteriorated into pitched partisan battles. Both sides have hardened.

As a result, we have missed several opportunities to enact reasonable, balanced reforms that reduce regulatory burdens while improving environmental protection.

The bill before us today is a refreshing exception. Republicans and Democrats have worked together, cooperatively. Sure, it has taken time. There have been painstaking negotiations. There has been compromise.

But look at the result. We have been able to develop a bill that will result in meaningful reforms.

A bill that will protect public health. And a bill that the public can, with confidence, support.

I want to thank Senators CHAFEE, KEMPTHORNE, and REID for the work they have done to get this bill where it is today—unanimously reported from the Environment and Public Works Committee with more than 30 cosponsors.

I also want to thank the Administration and others for their hard work and spirit of cooperation.

And I look forward to working with all of my colleagues to pass this bill through the Senate and enact it into law.

Mr. President, here we are passing a very complicated, very important bill which dramatically affects a lot of small communities, and certainly every American, and yet there are very few Senators on the floor. There does not seem to be a lot of interest by some Senators to be here on the floor for this bill. Why is that? Basically, Mr. President, it is because this legislation, in addressing a real need, is done the right way.

What do I mean by the right way? I mean not demagoging the issue. Senators on both sides of the aisle have worked very, very hard, particularly with interest groups around the country that were very interested in addressing drinking water problems in our Nation—small communities, large communities, Governors, mayors, environmental groups. And these groups, in trying to find a solution to the tradeoff between, on the one hand, protection—making sure our water is safe and, on the other hand, regulation, that is, not requiring too much regulation, trying to find the balance. We have done just that; we have found a balance.

They have worked very, very hard. They have rolled up their sleeves. They have worked together to get the job done. And we are here today basically ratifying, putting together, that mutual effort of a lot of compromise on the part of a lot of people. That is often what happens around here. Those who really work hard and get the job done are not praised as much as they should be.

In this case, it is all the various groups and people. It is also the chairman of the committee, Senator CHAFEE, the present occupant of the Chair, Senator KEMPTHORNE, who chairs the subcommittee, also Senator REID, the ranking member of the subcommittee, and many other Senators who worked very hard, and their staffs particularly worked very hard to get their job done.

Now, what is the problem? What is the problem that this legislation addresses? Essentially, Mr. President, the problem is this. Over the years, Americans have become more and more demanding, as they should, that their water is safe. In 1986, they became quite concerned that the EPA, the administration at that time, was not quite doing the job that should have been done to make sure that our water in our country was safe. So the 1986 amendments to the Safe Drinking Water Act were passed. They were well-intended. They were amendments which directed the Environmental Protection Agency and directed States to significantly increase their standards, impose many more monitoring requirements. There were many more contaminants of concern identified than the EPA was setting standards for.

Essentially, to help reassure Americans, because the job was not getting done, we passed the 1986 amendments. I think it is fair to say that the 1986 amendments that Congress passed went too far. They went too far in requiring the Environmental Protection Agency and the States to set too many standards, to regulate too much, to monitor too much and, basically, did not address the essential problem, that is, how to assure safer water at an affordable cost.

For example, one of the provisions in the 1986 amendments was essentially to say, ''OK, EPA, we want you to set standards for at least 83 different contaminants.'' Up to that point, I think there were about 22 contaminants regulated. ''We want you to set standards for a total of 83, and beyond that, we want you, EPA, to set standards for 25 additional contaminants every 3 years.'' That is stupid. It is nuts. There is no way in the world any agency could begin to do that much, with a tremendous additional burden on the Environmental Protection Agency.

In addition, Mr. President, what was another consequence? Another consequence was the dramatic disproportionate cost for smaller communities. Let us just think a minute. If the EPA tells a water system in a community to monitor certain contaminants, and to set certain standards, and to essentially apply certain technology, regardless of the size of the system, it is very clear that the large cities are able to spread those costs out among many, many more people, so the cost per household is much lower. But if the very same monitoring requirements, the very same standards, and the very same requirements are imposed on smaller communities, it is clear there is no way in the world that a smaller community is going to be able to meet those very same standards, those very same requirements, without imposing a tremendous cost on individual households in that small system.

That is particularly a problem, Mr. President, in my State of Montana. We

have about 698—I think that is the figure—community water systems. Of those, I think about 660—I hope my figures are right—are communities of under 10,000 people. We are a small-system State, which means that the 1986 amendments imposed tremendous disproportionate requirements on small communities.

These are communities that want safe water. Sure, they want clean water. They want to do their best to make sure the water in their communities is just as safe, if not safer, than in big cities. But, my gosh, they are required to monitor for contaminants that do not exist. I have to tell you, monitoring may not sound like much, but it is very, very expensive to monitor for an individual contaminant. You multiply that for additional contaminants that may not be there—the law requires you to monitor for them anyway, spend the money anyway. It does not make any sense. In addition, the technologies that have to be installed are that much more expensive.

Another big problem that the 1986 amendments created is a problem that you heard many times from many people: unfunded mandates. That is Uncle Sam saying, ''OK, community, you do this, you are going to take these requirements, but we are not going to give you the money for it.'' It just was not fair.

As the occupant of the chair knows, this Congress, quite correctly, over the months earlier this year passed legislation to prohibit unfunded mandates. If my memory serves me correctly, one of the chief proponents of that legislation is the Senator from Idaho, and I commend him for it.

This bill tries to address that problem by setting up a State revolving loan fund. It is $600 million the first year, and then it gets to $1 billion. It basically says, ''OK, States, we are going to change some of the requirements we passed in 1986. In addition to that, we are going to provide funds in the State revolving loan funds so systems can pay for some of the costs to install these technologies.''

We are also saying to the States, ''Boy, you have lots of flexibility. You can pass money between the Safe Drinking Water Act revolving loan fund and the clean water revolving loan fund. You also can set up a technical assistance program to help smaller communities, even a grant program for smaller communities.'' There is a lot of flexibility here, as it should be.

I will not take too much more time. Let me say, this is an example where Government is working. Government does not always work—we all know that—but sometimes Government does work. Here is a situation where Government can work. It may not be perfect. There are probably some areas where this legislation could be improved upon on the margin, but mainly, it is a very good, solid effort to find a commonsense, balanced solution to assure Americans that their water in their communities is safe and affordable.

That is what this bill does. It accomplishes this result, because a lot of very good people have worked very, very hard, and they have not demagogued it and gone to the media. They just rolled up their sleeves and got the job done.

I particularly commend the chairman of the committee, Senator CHAFEE. He has been the captain of the ship. He is at the helm. He set the tone, the mood and the approach to all this. We are here because he has done that.

I very much hope—and this is the point the Senator from Nevada made earlier—that we can take this as an example or a paradigm of how to deal with other problems around here. As the Senator from Nevada pointed out, we are now locked in budget negotiations, a pitched battle, Republicans and Democrats, the Congress and the White House.

Basically, Americans just want us to get the job done. They want us to compromise. They want us to balance the budget within 7 years, but do it fairly, do it evenhandedly, so all Americans are participating together as we get the job done together, just as we have done in this bill.

Mr. President, this bill is a basic, commonsense, balanced solution of compromises, give and take, on both sides. We are getting the job done. I very much hope that the White House, I hope that the Congress, and, to be totally candid about this, I particularly hope the other body, particularly the majority party of the other body, in good faith sits down in these budget negotiations and compromises to get the job done.

In summary, Mr. President, I want to particularly thank some Montanans who have worked very hard on this legislation over the years. The first that comes to mind is Dan Kyle. Dan Kyle sat down with me at the Heritage Inn in Great Falls, MT, I guess 6, 7, 8 years ago, talking about how horrendously expensive it is, inappropriately expensive, for small systems to meet the Federal requirements. That was a long time ago. Dan Kyle has labored in the vineyards. He has worked very, very hard—I believe he is head of the Montana Rural Water Association—along with Ray Wadsworth and the rest of the Montana crew, and Jim Melsted. I know these same people exist in other States. I only know those three in Montana, and they have been just terrific. I want to compliment them particularly for their hard work. They are pretty proud that finally we got the job done.

I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, first, I want to thank the distinguished ranking member of the committee, Senator BAUCUS, for his kind comments. I know that we all share the sentiments that we work together to get something done. We are very fortunate in this committee to have a heritage, if you will, of cooperation. It has extended way back to Jennings Randolph and then to Bob Stafford, to Senator PAT MOYNIHAN, and to the distinguished Senator from Montana himself when he was chairman of this committee. We have always tried to bring things out with bipartisan consensus, so we can move ahead. This legislation represents that.

I am very pleased to be chairman of this committee when we have this heritage that I mentioned, and I want to pledge to all that I will continue that effort to bring everybody together, listen to each side and then have something—we will not always be as successful as this, 16 to 0 in the committee, not a single dissenting vote from either side. That is what we want to use as a standard for the future.

When the distinguished ranking member was chairman of the committee and brought this bill to the floor a year ago, it passed 93 to 3. It is pretty hard to beat that. If we can emulate that today or tomorrow, I will be very, very happy.

COMMITTEE AMENDMENTS, EN BLOC

Mr. CHAFEE. Mr. President, I ask unanimous consent that the committee amendments be adopted, en bloc, and that the bill, as amended, by the committee amendments then be considered original text for the purpose of additional amendments.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

So, the committee amendments, en bloc, were agreed to.

AMENDMENT NO. 3068

(Purpose: To authorize listing of point-of-use treatment devices as best available technology, modify loan authorities for the SRF program, clarify the definition of public water system, and for other purposes)

Mr. CHAFEE. Mr. President, I send a managers' amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. KEMPTHORNE, Mr. BAUCUS, and Mr. REID, proposes an amendment numbered 3068.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, line 23, insert ''(or, in the case of privately-owned system, demonstrate that there is adequate security)'' after ''source of revenue''.

On page 20, line 24, insert ''and'' after ''fund;''.

On page 21, strike lines 1 through 4.

On page 21, line 5, strike ''(6)'' and insert ''(5)''.

On page 42, line 16, strike ''title'' and insert ''section, and, to the degree that an Agency action is based on science, in carrying out this title,''.

On page 69, line 24, strike ''level,'' and insert ''level or treatment technique,''.

On page 69, line 25, insert ''or point-of-use'' after ''point-of-entry''.

On page 70, line 1, strike ''controlled by the public water system'' and insert ''owned, controlled and maintained by the public water system or by a person under contract with the public water system''.

On page 70, line 6, strike ''problems.'' and insert ''problems. The Administrator shall not include in the list any point-of-use treatment technology, treatment technique, or other means to achieve compliance with a maximum contaminant level or treatment technique requirement for a microbial contaminant (or an indicator of a microbial contaminant). If the American National Standards Institute has issued product standards applicable to a specific type of point-of-entry or point-of-use treatment device, individual units of that type shall not be accepted for compliance with a maximum contaminant level or treatment technique requirement unless they are independently certified in accordance with such standards.''

Beginning on page 165, line 20, strike all through line page 166, line 2, and insert the following:

''(i) IN GENERAL.—For purposes of subparagraph (A), a connection to a system that delivers water by a constructed conveyance other than a pipe shall not be considered a connection, if—

''(I) the water is used exclusively for purposes other than residential uses (consisting of drinking, bathing, and cooking, or other similar uses);''.

On page 166, line 3, strike ''(aa)'' and insert ''(II)''.

On page 166, line 15, strike ''(bb)'' and insert ''(III)''.

Beginning on page 167, line 5, strike all through page 167, line 19.

On page 168, line 1, strike ''and'' and insert ''or''.

On page 168, lines 2 and 3, strike ''(I) and (II)'' and insert ''(II) and (III)''.

On page 168, line 3, strike ''and'' and insert ''or''.

On page 168, strike lines 4 through 6 and insert the following:

''(C) TRANSITION PERIOD.—A water supplier that would be a public water system only as a result of modifications made to this paragraph by the Safe Drinking Water Act Amendments of 1995 shall not be considered a public water system for purposes of the Act until the date that is two years after the date of enactment of this subparagraph, if during such two-year period the water supplier complies with the monitoring requirements of the Surface Water Treatment Rule and no indicator of microbial contamination is exceeded during that period. If a water supplier does not serve 15 service connections (as defined in subparagraphs (A) and (B)) or 25 people at any time after the conclusion of the two-year period, the water supplier shall not be considered a public water system.''.

On page 178, line 21, strike ''180-day''.

On page 179, lines 6 and 7, strike ''180-day''.

On page 179, line 15, strike ''effect.'' and insert ''effect or 18 months after the notice is issued pursuant to this subparagraph, whichever is later.''.

On page 195, after line 20, insert the following:

''(e) PREVENTION AND CONTROL OF ZEBRA, MUSSEL INFESTATION OF LAKE CHAMPLAIN.—

''(1) FINDINGS.—Section 1002(a) of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4701(a)) is amended—

''(A) by striking ''and'' at the end of paragraph (3);

''(B) by striking the period at the end of paragraph (4) and inserting ''; and''; and

''(C) by adding at the end the following new paragraph:

''(5) the zebra mussel was discovered on Lake Champlain during 1993 and the opportunity exists to act quickly to establish zebra mussel controls before Lake Champlain is further infested and management costs escalate.''.

''(2) EX-OFFICIO MEMBERS OF AQUATIC NUISANCE SPECIES TASK FORCE.—Section 1201(c) of such Act (16 U.S.C. 4721(c)) is amended by inserting '', the Lake Champlain Basin Program,'' after ''Great Lakes Commission''.

''(3) AQUATIC NUISANCE SPECIES PROGRAM.—Subsections (b)(6) and (i)(1) of section 1202 of such Act (16 U.S.C. 4722) is amended by inserting '', Lake Champlain,'' after ''Great Lakes'' each place it appears.

''(4) AUTHORIZATION OF APPROPRIATIONS.—Section 1301(b) of such Act (16 U.S.C. 4741(b)) is amended—

''(A) in paragraph (3), by inserting '', and the Lake Champlain Research Consortium,'' after ''Laboratory''; and

''(B) in paragraph (4)(A)—

''(i) by inserting after ''(33 U.S.C. 1121 et seq.)'' the following: ''and grants to colleges for the benefit of agriculture and the mechanic arts referred to in the first section of the Act of August 30, 1890 (26 Stat. 417, chapter 841; 7 U.S.C. 322) ''; and

''(ii) by inserting ''and the Lake Champlain basin'' after ''Great Lakes region''.

On page 195, after line 20, insert the following:

''(f) SOUTHWEST CENTER FOR ENVIRONMENTAL RESEARCH AND POLICY.—

''(1) ESTABLISHMENT OF CENTER.—The Administrator of the Environmental Protection Agency shall take such action as may be necessary to establish the Southwest Center for Environmental Research and Policy (hereinafter referred to as 'the Center').

''(2) MEMBERS OF THE CENTER.—The Center shall consist of a consortium of American and Mexican universities, including New Mexico State University; the University of Utah; the University of Texas at El Paso; San Diego State University; Arizona State University; and four educational institutions in Mexico.

''(3) FUNCTIONS.—Among its functions, the Center shall—

''(A) conduct research and development programs, projects and activities, including training and community service, on U.S.-Mexico border environmental issues, with particular emphasis on water quality and safe drinking water;

''(B) provide objective, independent assistance to the EPA and other Federal, State and local agencies involved in environmental policy, research, training and enforcement, including matters affecting water quality and safe drinking water throughout the southwest border region of the United States; and

''(C) help to coordinate and facilitate the improvement of environmental policies and programs between the United States and Mexico, including water quality and safe drinking water policies and programs.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator $10,000,000 for each of the fiscal years 1996 through 2003 to carry out the programs, projects and activities of the Center. Funds made available pursuant to this paragraph shall be distributed by the Administrator to the university members of the Center located in the United States.''.

On page 195, after line 20, insert the following:

''(g) ESTROGENIC SUBSTANCES SCREENING PROGRAM.—

''(1) DEVELOPMENT.—Not later than 1 year after the date of enactment of this subsection, the Administrator shall develop a screening program, using appropriate validated test systems, to determine whether certain substances may have an effect in humans that is similar to an effect produced by a naturally occurring estrogen, or such other endocrine effect as the Administrator may designate.

''(2) IMPLEMENTATION.—Not later than 2 years after the date of enactment of this subsection, after obtaining review of the screening program described in paragraph (1) by the scientific advisory panel established under section 25(d) of the Act of June 25, 1947 (chapter 125), and the Science Advisory Board established by section 8 of the Environmental Research, Development, and Demonstration Act of 1978 (42 U.S.C. 4365), the Administrator shall implement the program.

''(3) SUBSTANCES.—In carrying out the screening program described in paragraph (1), the Administrator shall provide for the testing of all active and inert ingredients used in products described in section 103(e) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9603(e)), and may provide for the testing of any other substance if the Administrator determines that a widespread population may be exposed to the substance.

''(4) EXEMPTION.—Notwithstanding paragraph (3), the Administrator may, by regulation, exempt from the requirements of this subsection a biologic substance or other substance if the Administrator determines that the substance does not have any effect in humans similar to an effect produced by a naturally occurring estrogen.

''(5) COLLECTION OF INFORMATION.—

''(A) IN GENERAL.—The Administrator shall issue an order to a person that manufactures a substance for which testing is required under this subsection to conduct testing in accordance with the screening program described in paragraph (1), and submit information obtained from the testing to the Administrator, within a time period that the Administrator determines is sufficient for the generation of the information.

''(B) FAILURE TO SUBMIT INFORMATION.—

''(i) SUSPENSION.—If a person referred to in subparagraph (A) fails to submit the information required under such subparagraph within the time period established by the order, the Administrator shall issue a notice of intent to suspend the sale or distribution of the substance by the person. Any suspension proposed under this subparagraph shall become final at the end of the 30-day period beginning on the date that the person receives the notice of intent to suspend, unless during that period a person adversely affected by the notice requests a hearing or the Administrator determines that the person referred to in subparagraph (A) has complied fully with this paragraph.

''(ii) HEARING.—If a person requests a hearing under clause (i), the hearing shall be conducted in accordance with section 554 of title 5, United States Code. The only matter for resolution at the hearing shall be whether the person has failed to submit information required under this paragraph. A decision by the Administrator after completion of a hearing shall be considered to be a final agency action.

''(iii) TERMINATION OF SUSPENSIONS.—The Administrator shall terminate a suspension under this subparagraph issued with respect to a person if the Administrator determines that the person has complied with this paragraph.

''(6) AGENCY ACTION.—In the case of any substance that is found to have a potential adverse effect on humans as a result of testing and evaluation under this subsection, the Administrator shall take such action, including appropriate regulatory action by rule or by order under statutory authority

available to the Administrator, as is necessary to ensure the protection of public health.

''(7) REPORT TO CONGRESS.—Not later than 4 years after the date of enactment of this subsection, the Administrator shall prepare and submit to Congress a report containing—

''(A) the findings of the Administrator resulting from the screening program described in paragraph (1);

''(B) recommendations for further testing and research needed to evaluate the impact on human health of the substances tested under the screening program; and

''(C) recommendations for any further actions (including any action described in paragraph (6)) that the Administrator determines are appropriate based on the findings.''.

Mr. CHAFEE. Mr. President, let me briefly say what this is. The managers' amendment does the following: It clarifies the new definition for the term ''public water system.'' It strengthens standard setting for bottled water as recommended by the bottled water industry. It allows EPA to list more cost-effective, point-of-use treatment devices as best available technology; it includes Lake Champlain in the program to control the infestation of zebra mussels in the Great Lakes; it authorizes assistance to a university consortium called the Southwest Center for Environmental Research and Policy; it requires EPA to conduct a screening program for the estrogenic effects of pesticides, and it makes two changes to the loan provisions of the new SRF program, State revolving loan fund program. Overall, it clears seven issues that Senators have brought to our attention.

So, Mr. President, I urge adoption of the managers' amendment.

Mr. BAUCUS. Mr. President, these provisions under the managers' amendment are essentially technical and clarification amendments, which Senator CHAFEE, myself, Senator REID, and the occupant of the chair I know has also looked at. I think they are good improvements to the bill.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3068) was agreed to.

Mr. CHAFEE. Mr. President, I move to reconsider the vote.

Mr. BAUCUS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3069

(Purpose: To require additional research prior to the promulgation of a standard for sulfate)

Mr. CHAFEE. Mr. President, I send an additional managers' amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. KEMPTHORNE, Mr. BAUCUS, and Mr. REID, proposes an amendment numbered 3069.

Mr. CHAFEE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 61, line 11, strike all through page 62, line 16, and insert:

''(A) ADDITIONAL RESEARCH.—Prior to promulgating a national primary drinking water regulation for sulfate the Administrator and the Director of the Centers for Disease Control shall jointly conduct additional research to establish a reliable dose-response relationship for the adverse health effects that may result from exposure to sulfate in drinking water, including the health effects that may be experienced by groups within the general population (including infants and travelers) that are potentially at greater risk of adverse health effects as the result of such exposure. The research shall be conducted in consultation with interested States, shall be based on the best available, peer-reviewed science and supporting studies conducted in accordance with sound and objective scientific practices and shall be completed not later than 30 months after the date of enactment of this paragraph.

''(B) PROPOSED AND FINAL RULE.—Prior to promulgating a national primary drinking water regulation for sulfate and after consultation with interested States, the Administrator shall publish a notice of proposed rulemaking that shall supersede the proposal published in December, 1994. For purposes of the proposed and final rule, the Administrator may specify in the regulation requirements for public notification and options for the provision of alternative water supplies to populations at risk as a means of complying with the regulation in lieu of a best available treatment technology or other means. The Administrator shall, pursuant to the authorities of this subsection and after notice and opportunity of public comment, promulgate a final national primary drinking water regulation for sulfate not later than 48 months after the date of enactment of this paragraph.''.

Mr. CHAFEE. Mr. President, let me explain this amendment. What it does is it modifies the standard-setting provisions of the bill for one contaminant, sulfate.

What is sulfate? It is a naturally occurring substance that contaminates some groundwater used for drinking water, particularly in the Western States.

The 1986 amendments required EPA to issue a standard for sulfates. It is one of the 83 contaminants we previously discussed. But EPA has not completed the job yet. Part of the problem has been inadequate scientific information on the adverse health effects caused by sulfate. We know that adverse effects occur, but we do not know exactly what concentration levels must occur to cause the effects.

This amendment requires EPA and the Centers for Disease Control to collect more information before a standard is set. The amendment also delays the deadline for issuing a standard so that this research might be completed. Senators PRESSLER and DASCHLE from South Dakota and Senator GRAMS from Minnesota have expressed particular interest in resolving the scientific questions associated with sulfate, and we thank them for their interest and help in preparing this amendment.

Mr. BAUCUS. Mr. President, we have examined the amendment and think it is a good improvement. I urge its adoption.

Mr. PRESSLER. Mr. President, I rise today to commend Chairman CHAFEE, Subcommittee Chairman KEMPTHORNE, and Senator BAUCUS, as ranking member of this committee, for their hard work in drafting this bill. Certainly, we need a uniform system of Federal laws and regulations to maintain the public health and safety of our drinking water. These laws must be reasonable. They must make sense.

The bill before us, S. 1316, would go a long way to bring common sense to safe drinking water regulations. This is good news for small cities and rural communities. For example, S. 1316 would require the EPA to provide sound scientific background for future drinking water standards. In addition, this legislation would grant flexibility to small water systems that cannot always afford the expensive treatment technology to comply with Federal regulations.

S. 1316 represents a reasonable approach to drinking water regulation.

I am particularly pleased that my colleagues agreed to improve the original language in section 9, regarding the levels of sulfates allowed in drinking water supplies. This original provision would have required that communities provide bottled water as an alternative to water containing sulfate. This provision is similar to a proposed Environmental Protection Agency regulation that would require communities to limit sulfate in drinking water. However, there is no scientific study to prove that these low levels of sulfate in drinking water result in negative health affects.

As originally drafted, the bill would have affected roughly one-quarter of all the water systems in South Dakota—108 of the 483 water systems in the State. The South Dakota Department of Environment and Natural Resources [DENR], which opposed both section 9 and the EPA's proposed sulfate rule, has estimated that the costs of compliance for those affected water systems would have been 40 to 60 million. That was just the initial cost of compliance. Small, rural communities in South Dakota should not be forced to pay such a high price to enforce a regulation that has no valid scientific justification.

Let me put these figures in real terms we can all understand. The largest of the 108 affected South Dakota communities would have been Madison, with a population of 6,395 people. Currently, the average water bill for each household in Madison is $13.75 per month. According to the South Dakota DENR, if the original section 9 were enacted, the additional cost to each household would have been almost $14 per month. That would have meant an average monthly water bill of $27.75—a 101 percent increase. Remember, this figure is for the largest of the affected communities.

Let us take Big Stone City, SD, as another example. With a population of

670 people, Big Stone City has the median population of the 108 communities in South Dakota affected by the original sulfate proposal. Currently, the average monthly water bill per household in Big Stone City is $9.80. If the original section 9 were to become law, each household in that community would have seen its water bill rise about $12.00, for a total monthly bill of $21.80. That would be a dramatic 122 percent increase. Just imagine the impact this provision could have on communities even smaller than Big Stone City.

Mr. President, what would these communities have gotten in return for these shocking rate increases? Nothing. That is right. Nothing. For years, South Dakotans have been drinking water containing sulfate with no apparent adverse health effects.

In response to the concerns of my constituents, my colleagues on the committee agreed to suspend the current EPA rule. Instead, additional research conducted jointly by the Centers for Disease Control and the EPA would be required on the health affects of various dose levels of sulfate in drinking water on the broader population. The EPA then would propose a new regulatory standard for sulfate based on the findings of this study, and on the standards set forth by this bill.

I am convinced that this additional study will prove once and for all that the sulfate which occurs naturally in much of South Dakota's drinking water causes no harmful side affects. The revised sulfate provisions of section 9 also have received the endorsement of the South Dakota Department of Environment and Natural Resources, and the South Dakota Municipal League.

Mr. President, like all Americans, South Dakotans certainly want safe and healthy drinking water. But they also want Federal rules that are reasonable, understandable and flexible.

By passing this bill, we are finally taking much-needed steps to solve the problems associated with the current safe drinking water law. I am happy that I was able to work with the chairman to develop sensible language to reduce the impact of burdensome sulfate regulations on small cities and rural water systems in South Dakota and other States.

Again, I thank Chairman CHAFEE for his leadership and for accommodating the concerns of my constituents. I also want to thank my friend from Minnesota, Senator GRAMS, for working with me to ensure that we achieve a commonsense legislative solution on this matter.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3069) was agreed to.

Mr. CHAFEE. Mr. President, I move to reconsider the vote.

Mr. BAUCUS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, my staff has been working with the floor leaders on S. 1316, the Safe Drinking Water Act, relative to an amendment which has been discussed at some length. I am sure the chairman of the Environment and Public Works Committee will respond to the status of the amendment. But it would authorize the administrator of the Environmental Protection Agency to make grants. May I check with the floor leader relative to the status of my amendment authorizing the Administrator of the Environmental Protection Agency to make grants to Alaska to improve rural sanitation by paying the Federal share, 50 percent, of the cost of those improvements?

I would like to offer the amendment, if the leader has not offered it and speak very briefly on it.

Mr. CHAFEE. Mr. President, the Senator from Alaska had two amendments and both of those, it is my understanding, could be resolved and accepted. Frankly, we are in the midst of working that out now.

Why not go ahead and describe the amendment, and at the conclusion of the Senator's description maybe we can arrive at a position where the amendment could be accepted.

Mr. MURKOWSKI. I thank the Senator.

Mr. President, my amendment authorizes the Administrator of the Environmental Protection Agency to make grants to Alaska because of the unique rural sanitation conditions in my State. It would improve rural sanitation by assisting with the Federal share—50 percent—of the costs of specifically two items. One, the development and construction of water and wastewater systems, and second, the training, technical assistance, and educational programs relating to the operation and management of sanitation services.

The purpose of the amendment is to ensure future funds are provided to improve Alaska's rural sanitation conditions. Our delegation—Senator STEVENS, Representative YOUNG, and myself—have supported $15 million in the EPA's budget this year for rural sanitation, and Senator STEVENS on the Appropriations Committee has obtained appropriations in previous years. The problem we have is that the residents of rural Alaska simply do not have adequate drinking water or sanitation facilities. As a consequence, we have an abnormally high amount of sickness and disease, and on some occasions, conditions can be compared to some Third World countries, unfortunately.

It is estimated that about one-fourth of Alaska's 86,000 Native residents live without running water and use plastic buckets for toilets. These are commonly called ''honey buckets.'' As a consequence, Mr. President, we have had numerous cases of hepatitis A among villagers, in some instances causing death.

I have a chart here which depicts the level of existing wastewater services in rural Alaska communities, and as the Chair will note the area in dark blue indicates about 49 percent of the chart, which is the area of the population dependent on pit privies or honey buckets; 37 percent have flush toilets; 14 percent have a haul system where the honey bucket man comes once a week and hauls the sewage away.

In over half of the villages in Alaska, water is hauled to the home by hand from a washeteria, watering points, or from a creek or river. A washeteria is a centrally located community building with washing and drying machines, showers, and so forth. Often times, Mr. President, the trash can is used as a water storage tank. Water for drinking, hand washing, and doing dishes comes from this household trash can, and you can imagine the potential for disease as a consequence of that type of transmission. Existing water service levels in rural Alaska have improved, but they have a long way to go. Only 40 percent of rural Alaska has piped water to residents; 30 percent use a washeteria; 20 percent use a year round watering point; 7 percent have individual wells, and 3 percent have no system at all. One can imagine the residents of this city living without the convenience of running water or toilets that flush.

In conclusion, I will continue to work to provide safe drinking water to rural Alaska and along with my colleague, Senator STEVENS, we want to see the elimination of the honey bucket in rural Alaska. That is a goal. And as the country moves toward the 21st century, Alaska's rural residents should not have to live in these conditions, again often compared to Third World countries.

I wish to especially acknowledge Carol Spils of my staff who has been working with the Environment and Public Works Committee for a long time on this legislation.

I would ask that the amendment be considered at this time by the committee. If there are additional details to be worked out, I would be happy to pursue them currently or if the floor managers are satisfied with them, why, I would ask they be included in the package. I would send up the amendment and modification, if it is appropriate.

Mr. CHAFEE. Mr. President, as I understand the modification, it is to set a time limit on the authorization, am I correct, to the year 2003, and thus be in conformity with the rest of the legislation?

Mr. MURKOWSKI. The floor manager is correct. I thank my friend from Rhode Island.

Mr. CHAFEE. That would be fine. If we could make that modification, and if the Senator would submit that, then that would be accepted. Then we would proceed to accept his amendment.

AMENDMENT NO. 3070

(Purpose: To authorize the Administrator of the Environmental Protection Agency to make grants to the State of Alaska to improve sanitation in rural and Native villages)

Mr. MURKOWSKI. Then, Mr. President, I would send the modification to the desk and ask for its consideration at this time.

The PRESIDING OFFICER (Mr. ASHCROFT). The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] for himself, Mr. CHAFEE, Mr. KEMPTHORNE, Mr. BAUCUS, and Mr. REID, proposes an amendment numbered 3070:

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 195, after line 20, insert the following:

''(g) GRANT TO ALASKA TO IMPROVE SANITATION IN RURAL AND NATIVE VILLAGES.—

''(1) 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—

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

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

''(2) FEDERAL SHARE.—The Federal share of the cost of the activities described in paragraph (1) shall be 50 percent.

''(3) 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 paragraph (1).

''(4) CONSULTATION WITH THE STATE OF ALASKA.—The Administrator shall consult with the State of Alaska on a method of prioritizing the allocation of grants under paragraph (1) according to the needs of, and relative health and sanitation conditions in, each eligible village.

''(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary for each of the fiscal years 1996 through 2003 to carry out this subsection.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. CHAFEE. Mr. President, as I understand it, this sets the time limit of 2003?

Mr. MURKOWSKI. That is my understanding and my intent.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 3070) was agreed to.

Mr. MURKOWSKI. Mr. President, I move to reconsider the vote.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MURKOWSKI. Let me take this opportunity to thank my colleagues for their accommodation on this matter. It is very meaningful to Alaska. Rural Alaska will be extremely pleased to see this continued progress.

I also wish to again thank Carol Spils.

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I want to alert my colleagues to a provision of this bill which we are negotiating which I think could be very pernicious and go well beyond anything that has to do with safe drinking water, would expand potentially the authority of EPA to evaluate and issue cost-benefit ratios which, in turn, could affect Federal actions, across the broad spectrum of Federal action.

I am referring to section 28, beginning on page 179 of the bill. Under this provision, the Administrator of the EPA can select major Federal actions, and we know that a major Federal action can be anything from drilling in ANWR, building a highway, having a timber sale, granting a loan—most anything. The Administrator of EPA would determine what he thinks would have a significant impact upon the environment and then would do a benefit-cost ratio on that major Federal action.

It tells him how to consider the benefits, and under section 6 on page 185, he is told to ''estimate the monetary value, and such other values as the Administrator determines to be appropriate, of the benefits associated with reducing risk'', for example, of ''(C) preserving biological diversity,'' ''(D) maintaining aesthetically pleasing environment,'' and other things with respect to regulating the chemistry of the air, so that, under this provision, the Administrator of the EPA has the specific authority to come up with a rating and a benefit-cost ratio to deal with, for example, a timber sale regarding the spotted owl.

So that the Administrator of the EPA, who is now not in the loop on determining a lot of these things, before you know it, there would be a benefit-cost ratio that would say this timber sale or this drilling in ANWR or the building of this highway or the granting of this loan has a benefit-cost ratio of only 50 percent and does not pass anybody's muster in terms of benefit-cost ratio.

There is no requirement of peer review. There is no requirement of making a rulemaking where the interested parties would be brought in. There is just simply a broad mandate to the Administrator of EPA to go look around at any place in the Federal Government where there is a major Federal action that may affect pollution—''pollution'' being broadly defined—in which the Administrator of EPA can then take into consideration everything from aesthetics to biodiversity. Mr. President, this could be a very, very bad provision.

The intent of the provision, of course, is good. The intent of the provision is to rank various sources of pollution, to look at the relative risks of different sources of pollution. Everyone agrees with that. But the grant of authority under section 28 under this bill is so broad that many Federal Departments will wake up one day and find out something that they had been working on for a long time, let us say the building of a highway, suddenly becomes not feasible because EPA has determined that it had a benefit-cost ratio of only 50 percent and, therefore, should not be built.

I suppose the determination that EPA made could be the basis of declaring a regulation or major Federal action to be arbitrary and capricious. It could affect major Federal actions all across the board including, presumably, the Department of Defense, Department of the Interior, Department of Energy. You name it, the Administrator of EPA could make that determination that it does not pass benefit-cost ratio.

Again, as the author of the original bill on risk assessment in the last Congress, I very strongly support the idea of relative risk and risk assessment, but I believe in an attempt to deal with this issue. This bill imperfectly does it, and I hope before this bill is finished that we can strike these provisions.

S. 343, the regulatory reform bill, deals with this issue, I believe, in a better way, because with respect to benefit-cost ratios, S. 343 provides for a rulemaking and peer review, a rulemaking in which all interested parties would be involved, a rulemaking in which the agency itself, which is putting out the regulation, would have the responsibility of running the rulemaking.

Under this, EPA does not have to peer review, does not have to give notice to interested parties. They can simply select around throughout the Federal establishment any Federal action which they wish to deal with and declare it to be not passing the cost-benefit analysis, because it fails to preserve biodiversity or fails to ''maintain an aesthetically pleasing environment.''

That is what it says, Mr. President. It may not be the intent. It may be correctable. I hope it is. But I believe section 28 ought to be stricken.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I want to thank the distinguished Senator from Louisiana for his thoughts on this. What we are doing now is seeking out and we are going to discuss this with the principal proponent of section 28. It is possible that we can do what the Senator from Louisiana suggests.

The Senator from Louisiana has some proposals that, in effect, deal with regulatory reform in section 5, as I understand it. My question is, would he be prepared to drop those provisions?

As I understand, he has another amendment that deals with section 5. What I would like to do is, frankly, get all references to regulatory reform out of this bill. We could discuss it now, or we could meet and have a quorum call. I know the Senator from Texas has comments on another subject. But I would like to discuss with the Senator from Louisiana what I previously suggested, namely dropping the section 5 proposals he has suggested.

Mr. JOHNSTON. Mr. President, the section 5 is a slightly different subject matter. I would certainly be very interested in talking to the Senator about that. I do believe section 28 ought to be dropped in its entirety. The problem is, if we do not drop it in its entirety, that will engender amendments to put in the reg reform S. 343 provisions, and that is going to engender a huge debate. It seems to me that that debate ought to be put off until another day and not be engrafted upon the Safe Drinking Water Act.

The risk assessment on section 5 does have to do with safe drinking water because it determines how you do risk assessment with respect to drinking water. Section 28 really does not deal with safe drinking water at all. That is why I think section 28 ought to be dealt with separately. We would be prepared to discuss section 5 at any time the Senator wishes to.

Mr. CHAFEE. Mr. President, what I suggest is that we have those discussions now. I know the Senator from Texas is ready to go. There is a gap here, and I do not know how long the Senator would like.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, whenever I can serve the good of the Senate by speaking on another subject so that the discussion can occur, I leap to the opportunity.

Mr. CHAFEE. I was going to suggest 20, 30 minutes.

Mr. GRAMM. I do not know that I will go that long, but I will suggest the absence of a quorum when I finish.

Mr. CHAFEE. That will be fine.

Mr. BAUCUS. Will the Senator yield for a unanimous-consent request?

Mr. GRAMM. Yes.

PRIVILEGE OF THE FLOOR

Mr. BAUCUS. Mr. President, I ask unanimous consent that Carl Mazza, a fellow with Senator MOYNIHAN's office, be permitted to have floor privileges during consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BUDGET NEGOTIATIONS

Mr. GRAMM. Mr. President, as we all know—in fact, as the whole country knows—intensive negotiations on the budget are underway in this very building, and working Americans have a big stake in the outcome of those negotiations.

While we do not know the final makeup of the compromise that would emerge from these negotiations, what I have heard is already alarming. I want to talk about the things that we are reading about in the paper, the apparent movement in the negotiations. I think it is important that if someone feels very strongly about a subject—and I feel very strongly about this subject—that we not surprise them by waiting until the last minute, when negotiations are finished and a final product has been produced, to suddenly spring it on people that are not going to support it.

So what I would like to do this afternoon is to talk very briefly about the emerging budget deal and then talk about four simple principles that I intend to establish in terms of my own vote. Obviously, I speak only on behalf of myself but I believe that, based upon the 1994 elections, the vast majority of Americans agree with the principles I will outline today. In fact, I think there is no doubt about the fact that the vast majority of Americans agree with the principles that I will set forth, and which will guide my vote on any final budget agreement.

I think the general parameters of a negotiation are pretty clear in terms of what we hear from the White House, from Mr. Panetta, and what we are beginning to hear from our own leadership. If you go back to the last continuing resolution, there was a little line in that resolution that, for the first time, opened the door to the possibility that we would change the parameters, the assumptions in our budget.

Let me explain why that is so important. It sounds kind of trivial to many people, what we assume about the health of the economy, interest rates, unemployment rates, and the number of people who qualify for Government programs. But let me explain how important those assumptions are. If you take the assumptions that the independent and nonpartisan Congressional Budget Office has established, which guide our budget, and you compare them to the assumptions contained in President Clinton's budgets, his assumptions about lower unemployment, higher growth, lower interest rates, and less spending from existing programs ultimately allows him to spend $1 trillion more, over the next 10 years, than our budget allows us to spend.

Now, I have one constituent who can comprehend what $1 billion is—Ross Perot, but I do not have any constituents that I know of, who knows what $1 trillion is, so let me try to define it. The trillion dollars that President Clinton wants to spend over the next 10 years would be equivalent to giving him the ability to write $15,000 worth of checks on the checking account of every American family, over that 10-year period. That is how much $1 trillion is.

I think it is clear that one path the negotiations could take, a path that I am very concerned about, would be to change our assumptions. This would be like a family assuming—when they sit down around the kitchen table at the end of the month, when they get out a pencil and a piece of paper and try to figure out how they are going to pay the rent or mortgage and how they are going to buy a new refrigerator before the old one goes, or how they are going to try to send the first child in the history of their family to college, when they are making tough, real-world decisions, when that we are not just making ends meet, but struggling for the American dream—assuming that there will be more money to spend than will actually be available.

I want to be very sure, Mr. President, that we do not make, in writing our new budget, an assumption that would be equivalent to a family saying, well, ''What if we won the lottery?'' or, ''What if we got a big promotion next year?'' or, ''What if some distant relative we do not know left us some money?'' We know American families do not do budgets that way because they have to live with the consequences of these decisions.

I am very concerned that we are on a path toward changing the underlying assumptions in the budget in such a way as to let President Clinton spend an additional $100 to $150 billion more each year over the next 7 years than we have set out in our budget. I am very concerned that, if we do this, we are giving up the first real opportunity we have had in 25 years to balance the Federal budget.

I want to let my colleagues know—and I know every person is trying to come up with the best solution to the impasse we have—but I want my colleagues to know that under no circumstances am I going to support any budget that allows President Clinton to spend money we do not have on programs we cannot afford.

If there was one promise that we made clear last year in the elections, it was that if the American people gave us a Republican majority in both Houses of Congress, we were going to balance the budget. I will have no part in backing away from that commitment.

The first principle I want to set out is a very simple one: I will not support a budget that spends one dime more than the dollar figures we set out in our balanced budget. We have written a budget and it was consistent with putting the Federal deficit in balance over