

least \$8.7 billion must be spent on municipal waste treatment facilities over the next 5 years. The magnitude of this task is demonstrated when it is recognized that the replacement cost of all existing municipal waste treatment facilities is estimated at \$5.5 billion.

Federal aid and Federal standards under the present water pollution program have been a great stimulus to the construction of municipal waste treatment works, but if the program is to succeed the Federal commitment initiated by this committee and approved by Congress must be fully funded.

The limited revenue base of municipal Government is severely strained to meet many needs. Setting local priorities for use of available local resources is very difficult, and is made more difficult in this program where standards have been set assuming a degree of Federal support for local programs far above the level of actual appropriations.

If the Federal Government cannot meet its committed share of the program, the timetable for achievement of the standards set forth in the Clean Water Restoration Act of 1966 cannot be met by increased commitment of local resources, and the program must be reevaluated and its objectives must be reset in accordance with the willingness of the Federal Government to fulfill its commitment.

Federal aid was originally geared to small town projects, with the project ceiling \$250,000. This ceiling was raised to \$600,000 and more recently was eliminated, but the low level of the appropriations and the inherent political demand in such a program that many projects be supported, as reflected by State pollution control agency priority lists, has prevented concentration of Federal and State dollars on projects which would yield the greatest amount of pollution abatement per dollar of expenditure. As a result, Federal and State grants have in most instances paid for less than 10 percent of the programs in larger cities.

Federal and State governments should share in pollution control costs. Downstream water users benefit from a city's program and that city's water users in turn benefit from upstream programs. But there is no right to impose waste on downstream neighbors. It is only equitable that all beneficiaries share in the cost of pollution abatement. Federal and State aid is the only way that equitable sharing of costs is feasible. More States must help in financing these programs and some are moving in that direction.

The annual volume of local construction is governed by the level of State and Federal appropriations. If Federal and State grants in combination provide 50 to 75 percent of projects costs, a city simply cannot afford to proceed until these grant funds are actually available. Unless these appropriations are adequate, progress will be delayed.

CONTRACT PROPOSAL REQUIRES CLARIFICATION

The pending measure would authorize a Federal contract with municipalities to guarantee local bonds and to pay the normal Federal share of project costs, through reimbursement of interest and principal charges on part of the local bonds. The proposed legislation makes no definite commitment as to the extent of the Federal share of an eligible project. Conceivably, the demands in any one year could