

additional plants at Aquabar in the eastern province. A U.S. firm, Aqua-Chem, will supply these plants.

(g) As a direct outgrowth of OSW work at Freeport, Texas, U.S. industry supplied a 1 mgd VTE plant to the Virgin Islands. This plant has had the best onstream record of all plants in the Virgin Islands and is producing the lowest cost water in its size range.

(h) Construction by industry of several reverse osmosis plants up to 125,000 gpd capacity based on technology developed by OSW.

(i) Industrial sales of reverse osmosis equipment developed for desalination applications to recover whey from dairy wastes, enzymes from pharmaceutical wastes and purification and reuse of papermill wastes.

*Question 5. Has any thought been given to the application of new financing techniques for the acquisition and operation of municipal water plants which utilize the several desalting and waste water treatment technologies? An example would be the scheme put into operation by the Italians in Bari and Sicily which consisted of establishing a revolving fund by the Italian government from which towns and municipalities can borrow to construct a desalting plant and repay it, with interest as an annual use charge.*

Answer. Some consideration was given to possible financing techniques for municipal water supply desalting plants when new legislation to extend the desalting program was recently being drafted. However, it was decided that existing authority in other agencies to provide grants and/or loans for water treatment plants was sufficient to cover desalting plants. Subsequently, Section 7 of the Bill proposed by the Department states that "The Secretaries of Interior; Defense; State; Agriculture; Commerce; Health, Education, and Welfare; and Housing and Urban Development, the Atomic Energy Commission and the Administrator of the Environmental Protection Agency shall each cooperate and coordinate their respective programs to effectuate the purposes of this Act, and to the extent possible shall utilize their respective grant, aid and loan programs to advance the purposes of this Act."

*Question 6. In view of the fact that desalting is merely another process of providing additional useable water from both sea water and brackish water as well as waste water, has there been any improvement in the funding of plants through the normal government agency channels, such as HUD, EDA, etc.? In short, is desalting technology being accepted as a viable and competitive technology along with the conventional ways of providing water to cities and municipalities and, therefore, being funded under the same rules as construction of wells, pipelines, reservoirs and dams?*

Answer. In the past, apparently there has not been a great deal of consideration given to funding of desalting plants through the normal Government agency channels. We are taking steps to improve the familiarity of HUD, FHA, and EDA personnel with the current status of desalting to show to them that it is now available commercially for desalting applications for water supply. The reply to Question 5, concerning the proposed legislation, is another step to increase the funding activity in connection with the desalting plants. At the present time HUD is considering an application from the Foss Reservoir Master Conservancy District for assistance in funding a 3 mgd. brackish water desalting plant for municipal and industrial supply.

*Question 7. In view of the fact that the Department of the Interior, through the Bureau of Reclamation, for years has had the authority to construct water resource facilities, including municipal water supplies in special instances, where does the Department stand in applying the same financing logic to desalting processes which meet the requirements for additional water and for better quality water? The point of the question is that, if the Department exercises its authority to fund water programs with low interest loans and reasonable repayment schedules, why should not the same funding criteria be applied in providing desalting plants as an alternative water source, either by itself or as part of a larger, overall program?*

Answer. The Office of Saline Water is charged with the development of desalting technology and is not involved in providing water supplies for municipal, industrial or agricultural uses. When this technology has been demonstrated as an economically viable means of meeting major water supply requirements, it will be recommended that it be considered in the same light as other Federal water supply programs relative to methods of financing.