



Indian Affairs - Office of Public Affairs

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The Administration's Water Policy Message sent to Congress today by President Carter recommended that States put up a front-end share of the cost of all Federal water projects.

The President said that State governments should assume a share of the cost over and above existing cost-sharing of Federal water projects. The proposal was among several initiatives the President announced to achieve a new national emphasis on water conservation, enhance Federal State cooperation, increase attention to environmental quality, and improve Federal water resource programs.

Secretary of the Interior Cecil D. Andrus, in a follow-up comment, strongly endorsed the President's recommendation that States share up-front costs of water projects.

"By contributing to the initial costs of water projects, States will exercise great influence over the location of Federal dams as well as play a leading part in deciding the priority rights of projects," Andrus said.

For project purposes with vendible outputs, such as water supply or hydroelectric power States would contribute 10 percent of the costs, proportionate to and phased with Federal appropriations.

For project purposes without vendible outputs, such as flood control, States' financing share would be 5 percent.

There would be a limit on State participation of 1/4 of 1 percent of the State's general fund revenue per project per year, so that a small State would not be precluded from having a very large project located in it.

"Cost-sharing will occupy a critical role in the President's new water policy," Andrus said. "It is a genuine reform that will assure more even-handed cooperation between States and the Federal Government."

The State cost sharing proposal would apply on a mandatory basis to projects not yet authorized. However, for projects in the authorized backlog, States which voluntarily enter into cost-sharing arrangements would achieve expedited consideration and priority for project funding, as long as other project planning requirements were met.

Soil Conservation Service projects will be completely exempt from the State cost-sharing proposal, the President said.

Specific initiatives spelled out for Federal agencies include:

Adding water conservation as consideration in the Principles and Standards which govern the planning of water resource projects.

- Making water conservation a condition of the municipal water supply and sewage treatment programs of the Environmental Protection Agency and the Departments of Agriculture and Commerce.

Integrating water conservation into the housing programs of the Departments of Housing and Urban Development, Veterans Administration, and Department of Agriculture.

Using existing programs of the Departments of the Interior, Agriculture, and Housing and Urban Development to provide technical assistance to farmers and urban dwellers on how to conserve water. Requiring water Conservation in Federal buildings and facilities. Asking all Federal agencies to examine and implement appropriate opportunities for water conservation.

The president also recommended that Congress provide \$25 million annually in matching grants for technical assistance to States for water conservation purposes.

Environmental protection initiatives in the message included a directive to the Secretary of the Interior and other Federal agencies to vigorously implement the Fish and Wildlife Coordination Act and other environmental statutes; implementation of Executive Order 11988 on flood plain management; cooperation with States to protect instream flows and groundwater through provision of data and where possible, operation of Federal projects.
