

program management and oversight and allows funds appropriated in the State and Tribal Assistance Grants account for that purpose to be transferred to the Environmental Programs and Management account, as needed.

OFFICE OF INSPECTOR GENERAL

The amended bill provides \$20,000,000 for the Office of Inspector General account, as proposed by the House and instead of unspecified amounts included in each administrative set aside by the Senate. These funds are available until September 30, 2012.

HAZARDOUS SUBSTANCE SUPERFUND

The amended bill provides \$600,000,000 for the Hazardous Substance Superfund as proposed by the Senate and instead of \$800,000,000 as proposed by the House. The funds are limited to the Superfund Remedial program, as proposed by the House. The bill allows the Administrator to retain up to 3 percent of the funds for program management and oversight. The Administrator is directed to coordinate oversight activities with the Inspector General.

LEAKING UNDERGROUND STORAGE TANK TRUST FUND PROGRAM

The amended bill provides \$200,000,000 for the Leaking Underground Storage Tank Trust Fund Account as proposed by both the House and the Senate. The funds are provided for clean up of leaking underground storage tanks as authorized by section 9003(h) of the Solid Waste Disposal Act. The bill allows the Administrator to retain up to 1.5 percent of the funds for program management and oversight. To expedite use of these funds, the bill waives the state matching requirements in section 9003(h)(7)(B) of the Solid Waste Disposal Act.

STATE AND TRIBAL ASSISTANCE GRANTS (INCLUDING TRANSFERS OF FUNDS)

The amended bill provides \$6,400,000,000 for the State and Tribal Assistance Grants account as proposed by the Senate and instead of \$8,400,000,000 as proposed by the House. The amended bill includes the following program funding levels and directives:

Clean Water and Drinking Water State Revolving Funds: The amended bill provides \$4,000,000,000 for the Clean Water State Revolving Funds and \$2,000,000,000 for the Drinking Water State Revolving Funds. To provide for the Agency's management and oversight of these programs, the bill allows the Administrator to retain up to 1 percent of the combined total provided for the Revolving Funds and provides transfer authority to the Environmental Programs and Management account as needed. To expedite use of the funds, the bill waives the mandatory 20 percent State and District of Columbia matching requirements for both Revolving Funds.

To ensure that the funds appropriated herein for the Revolving Funds are used expeditiously to create jobs, the Conferees have included two important provisions. First, the Administrator is directed to re-allocate Revolving Fund monies where projects are not under contract or construction within 12 months of the date of enactment. Second, bill language directs priority funding to projects on State priority lists that are ready to proceed to construction within 12 months of enactment.

The bill includes language to require that not less than 50 percent of the capitalization grants each State receives be used to provide assistance for additional subsidization in the form of forgiveness of principal, negative interest loans, or grants, or any combination of these. This provision provides relief to communities by requiring a greater Federal share for local clean and drinking water

projects and provides flexibility for States to reach communities that would otherwise not have the resources to repay a loan with interest. The Conferees expect EPA to strongly encourage the States to maximize the use of additional subsidies and to work with the States to ensure expedited award of grants under the additional subsidy provisions. The Conferees also expect the States to continue implementation of their base loan programs funded through the annual appropriations bill. The bill does not include language proposed by the House that would require a specific amount for communities that meet affordability criteria set by the Governor. However, the Conferees expect the States to target, as much as possible, the additional subsidized monies to communities that could not otherwise afford an SRF loan.

The bill requires not less than 20 percent of each Revolving Fund be available for projects to address to green infrastructure, water and/or energy efficiency, innovative water quality improvements, decentralized wastewater treatment, stormwater runoff mitigation, and water conservation. The bill allows States to use less than 20 percent for these types of projects only if the States lack sufficient applications. Further, the States must certify to the Agency that they lack sufficient, eligible applications for these types of projects prior to using funds for conventional projects.

Consistent with the annual appropriations bill, the Conferees have increased the tribal set-aside from the Clean Water State Revolving Funds to up to 1.5 percent of the total amount appropriated. Language has also been included to allow EPA to transfer to the Indian Health Service up to 4 percent of the tribal set-aside amount in each Revolving Fund for administration and management of the projects in Indian country. This amount is consistent with the amount allowed by law for the States to manage their capitalization grants.

Language also has been included to prohibit the use of both Revolving Funds for the purchase of land or easements and to prohibit other set asides under section 1452(k) of the Safe Drinking Water Act that do not directly create jobs. To ensure that funds are used to create jobs, the bill also limits the use of the Revolving Funds to buy, refinance or restructure debt incurred prior to October 1, 2008.

Brownfields Projects: The amended bill provides \$100,000,000 for Brownfields projects, as proposed by the both House and the Senate. The funds are provided to implement section 104(k) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as proposed by the House. The bill allows the Administrator to retain up to 3.5 percent of the funds for program management and oversight, with transfer authority to the Environmental Programs and Management account as needed. Bill language also waives the cost share requirements under section 104(k)(9)(B)(iii) of CERCLA.

Diesel Emission Reduction Act (DERA) Grants: The amended bill provides \$300,000,000 for DERA grants as proposed by both the House and the Senate. The bill allows the Administrator to retain up to 2 percent of the funds for program management and oversight, with transfer authority to the Environmental Programs and Management account as needed. The amended bill does not include language proposed by the Senate to waive the statutory limitation on State funds. Instead, the Conferees have included language to waive the State Grant and Loan Program matching incentive provisions of DERA. The Conferees expect the DERA funds provided here to be used on projects that spur job creation, while achieving direct, measurable reductions in diesel emissions.

Competitive Grants: The Conferees expect the Agency to award both the Brownfields and DERA funds in an expeditious manner, consistent with fair and open competition. To ensure the additional goal of creating jobs as quickly as possible, the Agency may make awards for meritorious and quality proposals submitted under competitions that were initiated within the past 18 months.

ADMINISTRATIVE PROVISIONS, ENVIRONMENTAL PROTECTION AGENCY (INCLUDING TRANSFERS OF FUNDS)

The amended bill includes language that makes set-asides for program management and oversight available through September 30, 2011. It also allows the funds provided for this purpose in the State and Tribal Assistance Grants account to be transferred to the Environmental Programs and Management account, as needed.

DEPARTMENT OF AGRICULTURE FOREST SERVICE

CAPITAL IMPROVEMENT AND MAINTENANCE

The conference agreement provides \$650,000,000 for Capital Improvement and Maintenance as proposed by both the House and the Senate. The conference agreement provides flexibility to the agency in determining the allocation of this funding among various program activities and sub-activities. The conferees encourage that selection of individual projects be based on a prioritization process which weighs the capacity of proposals to create the largest number of jobs in the shortest period of time and which creates lasting value for the American public. While maximizing jobs, the Service should consider projects involving reconstruction, capital improvement, decommissioning, and maintenance of forest roads, bridges and trails; alternative energy technologies, and deferred maintenance at Federal facilities; and remediation of abandoned mine sites, and other related critical habitat, forest improvement and watershed enhancement projects.

WILDLAND FIRE MANAGEMENT

The conference agreement provides \$500,000,000 for Wildland Fire Management instead of \$485,000,000 proposed by the Senate and \$850,000,000 proposed by the House. This includes \$250,000,000 for hazardous fuels reduction, forest health protection, rehabilitation and hazard mitigation activities on Federal lands and \$250,000,000 for cooperative activities to benefit State and private lands. The conference agreement provides flexibility to the Service to allocate funds among existing State and private assistance programs to choose programs that provide the maximum public benefit. The Conferees encourage the Service to select individual projects based on a prioritization process which weighs the capacity of proposals to create the largest number of jobs in the shortest period of time and to create lasting value for the American public. The bill allows the Service to use up to \$50,000,000 to make competitive grants for the purpose of creating incentives for increased use of biomass from federal and non-federal forested lands. To better address current economic conditions at the state and local level, funds provided for State and private forestry activities shall not be subject to matching or cost share requirements.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE INDIAN HEALTH SERVICES

The conference agreement includes \$85,000,000 for Indian Health Services instead of \$135,000,000 as proposed by the Senate; the House had no proposal for this account. The