

BILL ANALYSIS

Senate Research Center
78R12057 CLE-D

H.C.R. 204
By: Chavez (Lucio)
International Relations and Trade
5/19/2003
Committee Report (Unamended)

DIGEST

The United States and Mexico created the North American Development Bank (NADB) to provide financing for environmental infrastructure projects, particularly those related to water supply, wastewater treatment, and solid waste management along their common border. Since its inception in 1995, NADB has financed 57 environmental infrastructure projects representing \$1.4 billion in border region improvements, a substantial return on the bank's \$494 million investment. NADB established the Border Environment Infrastructure Fund (BEIF) in 1997 to receive and administer grants from other institutions, such as the U.S. Environmental Protection Agency (EPA), that can be combined with loans and guaranties to facilitate project financing. To date, BEIF has received \$336 million from EPA's Border Fund, which is vital to making water and wastewater projects affordable, especially for the smallest and poorest communities. Congress increased the Border Fund to \$75 million in fiscal year 2000, and this level of funding was again recommended for fiscal year 2003; however, the Border Fund received a congressional appropriation of only \$50 million. Reductions in the Border Fund and subsequent revenue losses to BEIF seriously undercut NADB's ability to finance water and wastewater infrastructure projects that are essential to environmental quality and the well-being of residents on both sides of the border.

PURPOSE

H.C.R. 204 submits the following resolutions:

That the 78th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to reinstate funding for the EPA Border Fund to \$75 million for fiscal year 2004 and to appropriate sufficient funds in subsequent years to address environmental infrastructure needs in the border region. That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.