



September 2, 2011

The Honorable Barack Obama  
President of the United States of America  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

RE: Water Infrastructure Investment in the Presidential Jobs Proposal

Dear Mr. President,

The Water Infrastructure Network (WIN) is a broad-based coalition of local elected officials, drinking water and wastewater service providers, state environmental and health administrators, contractors, engineers, and environmentalists dedicated to preserving and protecting the health, environmental and economic gains that America's drinking water and wastewater infrastructure provides. As America's leading organizations in these fields, we urge you to include the restoration of funds to the U.S. Environmental Protection Agency's (EPA) State Revolving Loan Funds (SRFs) for water and wastewater infrastructure in future actions by the Administration, including new proposals for job creation as well as future Presidential Budgets.

#### Needs

There is a tremendous need for water and wastewater infrastructure improvements in the US as these have been chronically underfunded for years. EPA projects needs of between \$300 and \$500 billion over the next 20 years just to keep pace, resulting in a \$23 billion annual shortfall in funding. This shortfall is responsible for the declining state of US water and wastewater infrastructure, resulting in a D- grade in the American Society of Civil Engineers' latest report.

#### Return on Investment

Federal support for drinking and wastewater systems delivers a tremendous return for taxpayers by lowering healthcare costs, reducing the cost of cleaning up polluted waterways and contributing to increased economic vitality. Regular federal investments in infrastructure also save taxpayers money as it costs a lot less to maintain infrastructure than it does to repair it. The cost of replacing water pipes through routine maintenance is typically between \$100 and \$300 per linear foot. The cost to repair a water main break is approximately \$1,500 per linear foot — not including the costs of flooding damage, closures of businesses, and health hazards to those in the area.

#### Lack of Local Funding

When the federal government began mandating quality standards for drinking water and wastewater discharge through legislation like the Clean Water Act and Safe Drinking Water Act, it also recognized that forcing local governments to spend billions of dollars to

upgrade facilities and equipment to comply with regulatory burdens was impractical. The EPA's SRF program is the vehicle the government uses to avoid foisting the burden of maintaining national water standards onto local ratepayers alone. Given that it is in the federal interest to set water quality standards, then so too must it be in the federal interest to provide financing help to operators so they can meet those standards. This is even more salient now with the sharp dropoff in State revenues and lack of budgetary flexibility most state have due to balanced budget provisions.

Federal investments in infrastructure also are often the best way to ensure the health, safety and economic vitality of sparsely populated rural communities. Many rural communities, indeed many rural states, lack the resources needed to finance the construction of major infrastructure projects like advanced wastewater treatment plants or safe drinking water systems. The federal government is uniquely suited to supporting infrastructure investments in these rural communities, especially when so much of our nation depends on the commercial traffic that travels through them and the agricultural products that come from them.

#### Job Creation

Spending on construction creates jobs. The Associated General Contractors of America found that for every \$1 billion in spending on infrastructure, 28,500 jobs are created in construction and construction-related activities which includes 9,700 (34%) direct construction jobs; 4,600 indirect jobs in supplier industries (mining, manufacturing and services); and 14,300 (50%) induced jobs resulting from purchases out of the additional income of workers and owners in the directly and indirectly supported industries. The American Public Works Association estimates that for every \$1 billion invested in water infrastructure construction over 40,000 jobs are created. The Alliance for Water Efficiency estimates that for every \$1 billion invested in water efficiency projects 22,000 construction, plumbing and manufacturing jobs are created. The US Conference of Mayors found that every job created in water and sewer infrastructure creates over 3 additional jobs in the national economy to support that job.

#### Successful Disbursement Mechanism Already Exists

The existing State Programs / Offices for administering the Clean Water and Drinking Water State Revolving Funds are ideal for distributing new federal water infrastructure funding. These State Programs / Offices have thousands of vetted, critical, water infrastructure projects that can be funded expeditiously. There exist over \$40 billion in documented, ready-to-go water infrastructure construction projects across the nation. The EPA found that over 99% of water infrastructure dollars included in the Recovery Act were obligated to projects prior to statutory deadlines. Providing additional funding to these State Programs / Offices to further expedite the process of getting federal funds to job creating water infrastructure projects.

#### Bipartisan Support

The 112<sup>th</sup> Congress has been stymied by partisan politics and brinkmanship. However, water infrastructure has traditionally enjoyed bipartisan support in Congress and maintains active support by a broad base of labor, industry, environmental, and community organizations. For example, the \$38.5 billion Water Infrastructure Financing Act (S.

1005), authored by Senator Boxer, Inhofe, Cardin and Crapo was approved by the Senate EPW Committee by a vote of 17-2 during the 111th Congress. Senators Inhofe and Crapo have remained committed to increased water infrastructure investment in the 112th Congress, leading a bipartisan letter, signed by over 30 Senators, requesting appropriations for water infrastructure. The \$18.6 billion Water Quality Investment Act (H.R. 1262) was passed by the House of Representatives during the 111th Congress on a vote of 317-101, with 73 Republicans supporting this legislation and all but 3 Republicans on the Transportation and Infrastructure Committee supporting its passage. Congressman Waxman and Congressman Barton collaborated to draft and pass legislation reauthorizing the Safe Drinking Water State Revolving Fund during the 111th Congress. The Waxman-Barton "Assistance, Quality and Affordability Act" was approved unanimously by the House Energy and Commerce Committee and approved by the full House of Representatives on a voice vote. Congressman Blumenauer (D-OR) was joined by Congressman Simpson (R-ID and current Chairman of the Interior Appropriations Subcommittee), Congressman Petri (R-WI and current Chairman of the Aviation Subcommittee), Congressman Don Young (R-AK and former Chairman of the Transportation and Infrastructure Committee), Congressman Steve LaTourette (R-OH and an Appropriator) and Congressman Ed Whitfield (R-KY of the Energy and Commerce Committee) in introducing a \$50 billion Water Infrastructure Trust Fund Bill during the 111th Congress.

#### The Presidential Jobs Proposal

America's leading construction, labor, engineering, municipal, conservation and manufacturing organizations strongly support a \$20 billion federal investment in Water Infrastructure Projects as part of the President's Jobs Creation / Infrastructure Investment Package. WIN believes that there is bipartisan support of job creating water infrastructure investment and is committed to delivering bipartisan support. Finally, we have in place a proven mechanism for the timely delivery of federal funds to job creating water infrastructure construction projects.

Sincerely,

The Members of the Water Infrastructure Network

CC:

Lisa Jackson – Administrator of the U.S. Environmental Protection Agency  
Nancy Stoner – Acting Assistant Administrator, EPA Office of Water

## **The Water Infrastructure Network - WIN**

- National Association of Clean Water Agencies
- Associated General Contractors of America
- American Society of Civil Engineers
- American Public Works Association
- American Council of Engineering Companies
- American Concrete Pressure Pipe Association
- International Union of Operating Engineers
- International Union of Bricklayers
- Laborers International of North America
- United Association of Journeymen and Apprentices in the Plumbing and Pipe Fitting Industry
- American Federation of State, County and Municipal Employees
- Water Environment Federation
- Western Coalition of Arid States
- Clean Water Action
- Chesapeake Bay Foundation
- American Rivers
- Natural Resources Defense Council
- Riverkeeper
- Trout Unlimited
- Ducks Unlimited
- American Sportfishing Association
- Rural Community Assistance Partnership
- Association of California Water Agencies
- Theodore Roosevelt Conservation Partnership
- United Brotherhood of Carpenters
- Design Build Institute of America
- California Rebuild America Coalition
- Associated Equipment Distributors
- Association of Equipment Manufacturers
- National Construction Alliance
- Clean Water Construction Coalition
- Construction Management Association of America
- Association of Equipment Manufacturers
- American Supply Association
- Vinyl Institute
- Uni-Bell PVC Pipe Association
- Pipe Rehabilitation Council
- Portland Cement Association
- National Ready Mix Concrete Association
- Vermeer Corp.
- Environmental and Energy Study Institute
- National Society of Professional Engineers
- California Association of Sanitation Agencies
- National Association of Towns and Townships
- National Association of Flood and Stormwater Management Agencies