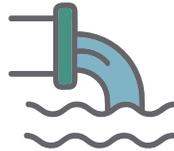




Underground Infrastructure Investment

WATER / WASTEWATER INFRASTRUCTURE REQUIREMENTS UNTIL 2040

\$271 billion will be needed to maintain and **replace wastewater and stormwater treatment systems.**



\$473 billion will be needed to **improve America's drinking water infrastructure.** (EPA estimates)

UNDERFUNDED INFRASTRUCTURE



Federal spending accounted for just **4%** of all spending on **wastewater utility infrastructure** over the past several years.

EXEMPT FACILITY BONDS (EFBS)

If the EFB state volume cap on infrastructure projects was lifted, **trillions of dollars** in private investment capital could be made available for municipal construction uses.



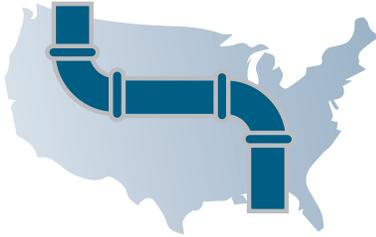
Issue background:

America's underground water and wastewater infrastructure ensures that Americans have access to clean drinking water, provides businesses with the resources they need to keep our economy moving, and protects our nation's waterways, beaches, and a range of recreational opportunities.

1.6 million miles of underground pipe infrastructure exists today in the United States, with much of it due for replacement over the next 20 years. Investments in new water and wastewater infrastructure will bring environmental and public health benefits, including preventing harmful pollution from entering waterways, protecting against waterborne disease, removing lead from the water supply, and preserving access to natural resources enjoyed during recreational activities.

In addition to health benefits, an estimated 28,000 jobs can come with \$1 billion investment in water and wastewater infrastructure. These opportunities are spread across the economy with more than one-half of the jobs in industries other than water system construction.

LEAD PIPES IN USE TODAY IN AMERICA



6.1 million lead service lines remain in use in U.S. cities and should be replaced. (AWWA.org)

What is NUCA's position?

Well-functioning water infrastructure systems are indispensable to maintaining the health of our nation's citizens. As water and wastewater systems continue to age and the costs of compliance with environmental requirements mount, communities face increasing difficulties in paying for needed infrastructure improvements.

Given the magnitude of the national need, NUCA urges lawmakers to take advantage of the new Administration's emphasis on infrastructure recovery to significantly increase our nation's investment in water and wastewater infrastructure by reauthorizing the Drinking Water and Clean Water SRF programs at much higher levels.

In addition to traditional public funding, Congress should consider measures that would open the door for more private sector investment through innovative financing, such as lifting the cap on exempt facility bonds (EFBs [formerly known as private activity bonds, or PABs]) for water and wastewater infrastructure projects. In 2018, the total EFB volume cap for all states and D.C. was limited to about \$37.5 billion.

To give lawmakers a sense of private resources available, in 2019 the \$30 trillion taxable bond market and the \$4 trillion tax-exempt bond market was being used by private and public entities for capital investments. Removing the EFB state volume cap increases private investment and capital investment, and enables more public-private partnerships which decrease the risk placed on local governments.

What can Congress do to help?

NUCA strongly supports H.R. 3684. The bill passed the U.S. Senate on August 10, 2021 with a bipartisan 69-30 vote. It will provide historic levels of funding for water infrastructure and lead pipe service line replacement, and to install modern broadband infrastructure.

The bill authorizes \$35 billion for water projects, including \$14.7 billion for the Clean Water State Revolving Fund (CWSRF) and \$14.7 billion for the Drinking Water State Revolving Fund (DWSRF) over five years. This is a significant increase from prior appropriations for these funds.

Other sections of H.R. 3684 which could affect NUCA members and their future project schedules include:

- \$110 billion for new highways, roads, and bridges
- \$65 billion to install modern broadband infrastructure
- \$73 billion for power infrastructure improvements
- \$25 billion for airport improvements, including better drainage systems
- \$17 billion for ports and waterway modernization
- \$11 billion for highway safety programs
- \$7.5 billion for electric vehicle charging infrastructure
- \$7 billion for Army Corps of Engineers infrastructure priorities
- \$2 billion for Bureau of Reclamation water infrastructure facilities

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