

**Written Statement**

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**to the**

**United States Senate  
Committee on Environment and Public Works**

**Information-Gathering Process on Draft Legislation  
America's Water Infrastructure Act of 2020  
Drinking Water Infrastructure Act of 2020**

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The National Utility Contractors Association (NUCA) represents more than 1,700 utility and excavation contractors, manufacturers, and suppliers who provide the materials and workforce to build and maintain our nation's intricate network of water, sewer, gas, telecommunications, and electric infrastructure. NUCA appreciates the opportunity to comment on recent legislation introduced that would take important steps to refurbish America's water and wastewater infrastructure.

**Congress Must Fund Sufficient Resources for Effective Programs**

On April 23, 2020, the America's Water Infrastructure Act (AWIA) and the Drinking Water Infrastructure Act (DWIA), legislation that would collectively deepen ports, address floodwater challenges, and assist local communities with resources to repair and rebuild local drinking water and sewer systems, was introduced by Senators Barrasso and Carper.

While the focus of AWIA is on water resources projects overseen by the U.S. Army Corps of Engineers, the legislation includes language that would reauthorize the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (SRF) program, and would incrementally increase annual funding levels to \$3 billion. Specifically, AWIA would authorize:

- FY2021: \$2 billion
- FY2022: \$2.5 billion
- FY2023: \$3 billion

In addition, AWIA would reauthorize the Water Infrastructure and Innovation Act (WIFIA), which provides long-term, low-cost credit assistance for regionally and nationally significant water and wastewater projects.

AWIA would also reauthorize the use of existing sewer overflow and storm reuse grants for construction and planning/design of treatment works to address overflows of combined sewers, sanitary sewers, or stormwater systems, as well provide grants to promote workforce development in the water utility sector.

Resources are also provided in the legislation that would assist publicly-owned treatment systems to comply with federal water quality regulations. In fact, the bill would set aside 10 percent of Clean Water SRF funding for grants, negative interest loans, or other ways to forgive loan debt for struggling municipalities and other local government entities.

The Drinking Water Infrastructure Act would provide needed resources through the Drinking Water SRF to assist local communities respond to drinking water emergencies such as lead contamination in local water reservoirs. DWIA also provides language that would provide SRF debt for local governments at a time when complying with water quality standards is more challenging than ever.

### **Sufficient Funding is Critical**

NUCA supports funding traditional financing programs as well as new grant programs to assist localities while the COVID-19 pandemic continues. However, the funding levels provided in both AWIA and DWIA do not provide enough resources to bridge the gap between what is needed and what is currently invested in America's environmental infrastructure. In fact, while there are marginal increases in Clean Water SRF funding, DWIA includes no increases in funding for the Drinking Water SRF other than \$300 million in grants to assist in the remediation of drinking water contamination.

To be clear, NUCA understands the need to provide relief to local government entities, but resources should not come at the expense of critical SRF dollars. In addition, both AWIA and DWIA include a range of provisions for "alternative" water source projects and water and wastewater "efficiency" programs.

Estimated funding needs reflect the community utility for all of these measures, but ensuring a viable and robust funding source for “pipe and mortar” water and wastewater projects is needed now more than ever.

For the past several years, EPA has estimated that hundreds of billions of dollars is needed to invest in America’s water and wastewater infrastructure. While NUCA appreciates the increases in the SRF programs, Congress must consider a more robust investment to service known shortcomings in infrastructure around our nation, in all 50 states. In addition, the WIFIA program has proven successful since its establishment – the only problem is a lack of funding. Reauthorizing WIFIA at current levels will not sufficiently address that nation’s environmental infrastructure needs, nor will it make WIFIA a sustainable funding source.

### **Opportunities for Private Investment**

In addition to traditional public funding, Congress should consider measures that would open the door for private sector investment through innovative financing, such as lifting the cap on private activity bonds (PABs) for water and wastewater infrastructure projects.

NUCA understands this would require action by the Senate Finance Committee, but we encourage the Senate Environment and Public Works Committee to consider and embrace the advantages of PAB reform for water and sewer infrastructure projects.

Removing the state volume cap on PABs for water and wastewater infrastructure would increase private capital investment and enable more public-private partnerships (P3), which would not only optimize the development, construction and long-term operation of the project, but it would allow local governments to approve projects with confidence. In fact, P3 agreements generally provide that the private sector partner assumes not only the cost but the financial risk and long-term debt of the project while retaining ownership of the infrastructure and the project itself.

### **Construction as a Job Creator**

While investment in water and wastewater infrastructure enhances public health and environmental protection, it also creates in every community where it is undertaken more high-paying jobs, generates

significant economic activity and expands the local tax base. Industry studies have indicated that every \$1 billion invested in water and wastewater infrastructure creates up to some 28,000 new jobs with average annual earnings of more than \$50,000 and increases demand for products and services in other industries by more than \$3 billion.

Due to the economic ripple effect that construction employment offers, investment in water infrastructure generates measurable employment in hundreds of standard industry classifications recognized by the U.S. Census Bureau. Moreover, a \$1 billion investment also tens of millions of dollars in state and local tax revenue at a time when they unarguably need it most.

NUCA appreciates the opportunity to comment on both AWIA and DWIA, and we appreciate the efforts of the committee to address our significant infrastructure challenges. With these two bills, Congress has the opportunity to put Americans back to work on important construction projects that create tens of thousands of jobs, improve public health and safety, enhance environmental protection and raise the overall quality of life for communities across the United States.

For additional information, NUCA is available on the Internet at **[www.nuca.com](http://www.nuca.com)**.