

NATIONAL UTILITY CONTRACTORS ASSOCIATION

ON

**"EXAMINING THE CHALLENGES FACING DRINKING WATER AND
WASTEWATER INFRASTRUCTURE PROJECTS"**

**JOINT HEARING OF
SUBCOMMITTEE ON FISHERIES, WATER, AND WILDLIFE
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS**

March 17, 2021

The National Utility Contractors Association (NUCA) represents construction contractors, manufacturers, and distributors who build and maintain a wide range of our nation's infrastructure. Member companies provide the manpower and equipment needed to build, repair, and maintain the infrastructure needed for water and wastewater, gas distribution, broadband, electric as well as the nation's surface transportation system. NUCA appreciates the opportunity to provide a statement for the record to the Senate Committee on Environment and Public Works.

Our nation's 2.2 million miles of underground water and sewer infrastructure ensures that Americans have access to clean and healthy drinking water and safe sanitary wastewater systems, gives businesses with the resources they need to keep our economy moving, protects our nation's waterways and beaches, and provides a range of recreational opportunities. Taken together, well-functioning water infrastructure is indispensable to the health of our country.

However, as water infrastructure systems continue to age and are tested by extreme weather events, communities face increasing difficulties in paying for needed infrastructure improvements. Recent events in Texas, where winter weather left thousands without access to clean water, underscore the vulnerability of our nation's water infrastructure and the dire need for additional investment. When systems fail, the fix is not always a quick one. Many residents in Jackson, Mississippi, have gone without reliable water access for weeks, from mid-February to early March of this year, after dozens of water mains failed as a result of extreme weather and compounded by the city's obsolete water infrastructure systems.

According to the American Society of Civil Engineer's 2021 "Report Card for America's Infrastructure," without federal help our nation's annual drinking water and wastewater investment gap will grow to \$434 billion by 2029.

At the same time these calamities beset American communities, federal spending in recent years has accounted for just four percent of all spending on wastewater utility infrastructure and nine percent of all spending on drinking water. Given that the Environmental Protection Agency's (EPA) most recent assessment found that \$271 billion will be needed to maintain and replace wastewater and stormwater treatment systems and \$472.6 billion will be needed to maintain and improve drinking water infrastructure over the next twenty years, Congress must act this year.

While investment in water and wastewater infrastructure enhances public health and environmental protection, it also creates 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 results in tens of millions of dollars in state and local tax revenue at a time when they unarguably need it most.

To that end, NUCA strongly supports measures that would ensure a steady level of federal investment in water infrastructure, and particularly a major reauthorization of the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF). Likewise, NUCA would strongly support a significant increase in funding for the Water Infrastructure and Innovation Act (WIFIA) program, which provides long-term, low-cost credit assistance for regionally and nationally significant water and wastewater projects. WIFIA, CWSRF, and DWSRF programs have all proven highly efficient and successful since their establishment, but continue to suffer from a lack of reliable funding.

In addition to traditional public funding, NUCA continues to support innovative solutions to the funding shortfall facing America's clean water infrastructure. 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 (private activity bonds, or PABs) for water and wastewater infrastructure projects. Drinking water and sewer projects are eligible for these bonds, but there is currently a federal limit on how much can be financed annually using these bonds. Lifting the cap on exempt facility bonds will infuse much-needed billions of dollars in private capital into local community water and wastewater projects.

Our association's website (www.nuca.com) contains much more information on these critical issues that can help inform you and your staff on many possible solutions to these important challenges. NUCA's water infrastructure experts are also available to your committee staff to discuss these issues and other solutions which have the promise to deliver what the American people want and deserve: reliable clean drinking water and wastewater infrastructure systems to keep their communities safe, healthy, and thriving.

We appreciate your leadership in examining this critical issue at a time when our nation's water infrastructure is more in need of overhaul than ever before. Thank you for your consideration.