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Ensure Needed Investment in Our Nation's Water Infrastructure

Our nation's water infrastructure needs are dire. Recent studies underscore the need for action in the face of an imminent crisis. The American Society of Civil Engineers gave the nation's drinking water and wastewater infrastructure a "D," meaning our water infrastructure networks are poor and risk failure. The time is long overdue for substantial investment in water infrastructure projects.

State Revolving Funds (SRF), established by the Clean Water and Safe Drinking Water Acts, fund federal water programs. Through the SRFs, the U.S. Environmental Protection Agency (EPA) provides grants to states, which in turn make loans to communities. As the localities repay the loans over time, the funds "revolve" and are distributed as new loans. Communities using SRF money must match it according to an 80/20 ratio. The requirement that states add money to federal funding means, as a practical matter, the actual value of the investment resulting from the SRF program is considerably more than the congressionally appropriated level.

As Congress allocates limited resources and considers competing priorities, AED urges robust funding for the Clean Water and Safe Drinking Water SRFs. Lawmakers should also look to alternative financing mechanisms, such as public-private partnerships and leverage private capital by lifting the state volume cap on private activity bonds for water and sewer projects.

Congress must seize the opportunity to lay a solid foundation for America's economic growth and a better quality of life for all Americans by maintaining investments in our nation's water infrastructure.

- Economists at the College of William & Mary found that investing \$1 in sewer systems and water infrastructure generates \$2.03 in tax receipts (\$1.35 for the federal government) over twenty years.
- The American Water Works Association's 2012 study, "Buried No Longer: Confronting America's Water Infrastructure Challenge," found the cost of replacing U.S. drinking water pipes will be \$1 trillion by 2035.
- According to a study by the Clean Water Council, an estimated 20,000 to 26,669 jobs can result from a \$1 billion national investment in water infrastructure. These employment opportunities are spread across the economy, with nearly half of the jobs in industries other than water and wastewater construction – demonstrating the broad reach of water infrastructure investment.
- Water infrastructure spending has a major impact on the equipment industry. A study conducted by AED and the National Utility Contractors Association determined that every dollar spent on the average underground water utility project creates 12 cents in equipment market opportunity.
- With SRF funding seeing dramatic reductions since 2010, Congress must facilitate public-private partnerships, such as lifting the cap on private activity bonds for water infrastructure projects, which is estimated to attract over \$5 billion in private capital annually.

The association of leaders in equipment distribution.