



AMERICAN COUNCIL OF ENGINEERING COMPANIES

Water Infrastructure

ISSUE

America's water and wastewater systems face a funding gap of \$300 to \$500 billion over 20 years between current annual investments in water infrastructure and the investments that will be needed each year to repair deteriorating water and wastewater systems and meet the mandates of the Clean Water Act and the Safe Drinking Water Act. Studies noting this funding gap have been prepared by the U.S. EPA, the Government Accountability Office (GAO) and the Water Infrastructure Network (WIN) — of which ACEC is a member.

ACEC believes that new solutions are needed to address this gap, as federal contributions to water and wastewater infrastructure have fallen substantially in recent years. For example, funding for the EPA's Clean Water State Revolving Fund (SRF) program — one of the federal government's primary funding programs for wastewater projects — has declined steadily over the years from its traditional level of \$1.35 billion to only \$650 million in 2009. The American Recovery and Reinvestment Act of 2009 provided a welcome one-time boost for the programs, providing \$4 billion for wastewater and \$2 billion for drinking water projects. However, sustained, multi-year federal investments are needed to begin to address the investment gap that jeopardizes the quality, safety and security of the nation's water resources.

Engineering firms work with state and local governments to design solutions to prevent billions of tons of pollutants from reaching rivers, lakes, and coastlines, protecting human health and safety. The industry also designs solutions to protect the public from contaminants in drinking water. Public investments in these projects also contribute significantly to jobs and economic growth.

Both the House and Senate are making progress on legislation that represents a new federal commitment to water infrastructure. In March, the House passed HR 1262, which authorizes \$13.8 billion for the Clean Water SRF program over five years. The measure includes a number of reforms to make it easier for communities to access and use federal assistance, including an expanded list of project activities eligible for federal funding, extended loan repayment periods, loan principal forgiveness and negative interest loans for communities in need, and incentives for "green infrastructure" projects. ACEC was also successful in persuading the House to include a provision in the bill to require that SRF-funded projects use Qualifications-Based Selection (QBS) in the procurement of engineering services to ensure that tax dollars are well spent.

The Senate Environment and Public Works Committee has developed and passed a larger water program. S 1005 authorizes nearly \$40 billion over five years for water projects, setting aside \$20 billion for wastewater and \$14.7 billion for drinking water projects, as well as additional funding to address the problem of combined sewer overflows (CSOs). Like its companion bill in the House, the Senate bill also includes numerous reforms to aid local communities, as well as a mandatory QBS requirement for SRF-funded projects in communities with populations greater than 10,000.

ACEC POSITION

ACEC strongly urges quick action by the Senate to pass S 1050, for the House and Senate to promptly reconcile the differences in the bills in conference, and for both chambers to quickly pass a final bill for the President's signature.