



DAVID A. RAYMOND
PRESIDENT & CEO

July 25, 2011

Dear Senator:

On behalf of the American Council of Engineering Companies (ACEC) – the business association of the nation’s engineering industry – we respectfully request that you add your name as a co-sponsor of S. 939, the Sustainable Water Infrastructure Investment Act which would eliminate the state volume cap on private activity bonds (PABs) for water and wastewater projects.

ACEC represents over 5,500 independent engineering companies throughout the United States. Our members are directly engaged in the development of America’s infrastructure, and play an important role in the effort to improve the nation’s water and wastewater infrastructure.

Introduced by Senators Robert Menendez and Michael Crapo, S. 939 would significantly expand the availability of low cost financing for local communities. This reform is critically needed, as most states are allocating only a small fraction of their private activity bonding capacity to water infrastructure projects. The legislation would bring water and wastewater projects out from under the federally-mandated state volume cap on PABs, which provide tax-exempt financing for a government entity such as a municipality or state that wishes to partner with a private entity to meet a public need. Under a PAB project, the private entity, not the government, assumes much of the financial risk.

Allowing states and local governments to have more access to public-private partnerships to rebuild essential water and wastewater infrastructure will not only contribute to America’s economic recovery but will help create high-paying jobs. A 2009 study by the Clean Water Council found that every \$1 billion invested in water and wastewater infrastructure creates up to 27,000 new jobs with average annual earnings of more than \$50,000.

Wall Street experts and the Environmental Protection Agency have projected that this simple change in the tax code could make available as much as \$6 billion annually for our nation’s water infrastructure replacement needs. The cost to the federal government would be significantly less, as recent Joint Tax Commission estimates put the bill’s price tag at only \$354 million over the next ten years.

ACEC urges you to consider becoming a co-sponsor of this important bill. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Raymond", is written over a horizontal line.