



AMERICAN COUNCIL OF ENGINEERING COMPANIES

DAVID A. RAYMOND
PRESIDENT & CEO

December 2, 2008

President-elect Barack Obama
Office of the President-elect
451 6th Street, N.W.
Washington, D.C. 20270

Subject: Environmental and Energy Policy Issues

Dear President-elect Obama:

On behalf of the American Council of Engineering Companies (ACEC) -- the business organization representing America's engineering industry -- we have summarized for you and your transition team our views on environmental, energy, climate change, water infrastructure funding, hazardous waste cleanup, and Endangered Species Act reforms.

ACEC believes that near-term investments in critical environmental and energy infrastructure should be essential components of an economic stimulus package, as well as longer-term investments to sustain economic growth. ACEC member firms are on the front line each day working with federal agencies, state and local governments, and private industries on vital environmental and energy projects around the country; we see first-hand the lack of adequate investment and coherent policy. Our recommendations are based on extensive first-hand experience and professional, technical opinion.

Water Resources Funding Deficit

Among the nation's finite and valuable resources, our drinking water and wastewater treatment systems must receive higher priority. Healthy and accessible water supplies yield profound economic benefits for community healthcare costs, disease control, and sustainable ecological life cycles. Today, public water facilities and wastewater systems are deteriorating, yet we have seen a weakening of the federal-state-local partnership. The federal government has increasingly shirked its share of responsibilities under the Clean Water Act and the Safe Drinking Water Act.

The Environmental Protection Agency projects that in the absence of remedial measures, wastewater treatment plants will be forced by 2016 to discharge partially treated effluent into U.S. waters at unacceptable levels last seen in the mid-1970s. To repair deteriorating water and wastewater systems, we need to close a funding gap of \$300 to \$500 billion over 20 years.

Specifically, we urge you to support:

- Robust federal investment in the Clean Water and Safe Drinking Water State Revolving Funds (SRFs);
- Establishment of a Water Infrastructure Trust Fund to provide a sustainable funding source for water projects;
- Lifting of state private activity bond caps; and
- Creation of a national infrastructure "bank" to make loans and purchase securities to finance infrastructure projects.

Energy and Climate Change

We believe that energy and climate policy are intertwined, and that a balanced approach is needed to achieve the goals of economic growth and responsible environmental policy.

Consumption of primary resources provides the fuel for our nation's economic engine. Significantly increasing the efficiency of a given unit of energy clearly benefits economic output. Advanced technologies will allow the U.S. economy to benefit from increasing efficiencies. We also need a robust, diverse and innovative approach to energy resource development.

Specifically, we urge you to support:

- Increased domestic production of *all* conventional and alternative fuel sources, including oil, nuclear, coal, and natural gas, as well as renewable energy sources such as wind and solar. No single source alone can provide a satisfactory or affordable solution for America's growing energy needs;
- Economic incentives to install resource productivity measures throughout the nation's industrial, commercial, and residential sectors. Such measures should include efficiency improvements and energy recovery actions;
- Incentives such as adjustable tax credits and subsidies that encourage private sector advancements;
- Economic and environmental assessment of domestic and global policy initiatives; and
- Development and enhancement of coordinated and integrated water, wastewater, and electricity systems.

In the area of climate change, we urge you to support:

- Preservation of existing state and regional greenhouse gas emissions programs, including a national protocol on accounting for reductions;
- Financial assistance and guidance for local governments to adapt to climate changes not only in coastal communities but also in other vulnerable areas of the country;
- Financial and other incentives to encourage and reward technical innovation and alternatives;
- Long- and short-term goals, with limits based on achievable reductions from currently available methodologies and technologies;
- Equal distribution of emissions allowances involving as many sectors of the economy as possible;
- Credit for global emissions reductions achieved by U.S. companies with global operations;
- Credits and incentives for early reductions; and
- Adequately funded research and development.

Hazardous Waste Cleanup

Hazardous waste site cleanups are managed under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), which suffers from serious flaws, particularly in the "joint and several" liability system that has resulted in lawsuits and significant delays in clean-up.

We urge you to support:

- Comprehensive reform of CERCLA, including the replacement of the joint and several liability scheme with one that is based on proportional fault;
- Programmatic changes that allow for flexibility and rationality in cleanup decisions to spur more voluntary cleanups;
- Establishment of a six-year statute of repose, as is common in the engineering and construction industries; and
- Accelerated funding for cleanup of Department of Energy-owned nuclear sites

Endangered Species Act Reform

Very few of the species listed under the 1972 Endangered Species Act (ESA) have recovered. ESA requires changes so that the statute can better accomplish its mission without imposing heavy regulatory burdens on property owners.

We urge you to support:

- Replacement of ESA's critical habitat program with a system of recovery plans that includes the identification of habitats important to the conservation and recovery of species; and
- Incentives for local, state, tribal and federal agencies to develop sound species conservation management plans.

Conclusion

ACEC and our member engineering firms are dedicated to meeting our nation's environmental and energy challenges. We stand ready to assist your transition team and to support your efforts. Please do not hesitate to contact me, or to have your transition team contact Diane Shea, ACEC's Environment and Energy Programs Director, at 202-347-7474 or dshea@acec.org.

Sincerely,

