

United States Senate

WASHINGTON, DC 20510

January 16, 2009

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Daniel Inouye
Chairman, Appropriations Committee
United States Senate
Washington, DC 20510

The Honorable Thad Cochran
Ranking Member, Appropriations Committee
United States Senate
Washington, DC 20510

Dear Majority Leader Reid, Minority Leader McConnell, Chairman Inouye and Ranking Member Cochran:

Thank you for the consideration of our request as the Senate crafts the economic recovery and stabilization legislation that will help America recover from the current economic crisis. We have seen the proposal from the other body, and have significant concerns about water infrastructure funding levels and conditions for the Clean Water and Drinking Water State Revolving Loan Funds. While traditional state matching requirements are waived, funding levels are far lower than the states' demonstrated need, and the funding is proposed mostly in the form of loans. All other infrastructure spending in the package announced on January 15 is in the form of grants. Given the states' strained financial condition, the current cost of capital and the state of the municipal bond market, we believe these criteria put water infrastructure funding beyond the reach of most communities across this country.

As the Senate prepares to markup its version of the economic recovery and stabilization legislation, we ask that you provide a more robust investment of at least \$32 billion for the modernization of our aging water infrastructure. Through formula grants, \$20 billion should be dedicated for ready-to-go wastewater infrastructure projects and \$10 billion should be for ready-to-go drinking water infrastructure projects. We would also like to see an additional \$2 billion in grants for water efficiency projects, such as retrofits of irrigation systems and plumbing fixtures in buildings, restaurants, and industrial plants – that will provide good jobs and make our water supplies more sustainable for the future. Moreover, we believe it is critical that the economic recovery and stabilization legislation not only contain provisions waiving state matching requirements but also give states even greater flexibility to use these funds to provide subsidizations and grants to help small and low-income communities make these vital improvements.

In addition, to ensure that the recovery and stabilization funds are used to spur innovation, we would like to see the Senate bill contain a percentage set aside for investments in cost-effective 21st century water infrastructure solutions, such as green infrastructure. Specifically, we request that 15% of the amount provided for ready-to-go wastewater infrastructure projects be dedicated as grants for green infrastructure projects - rain gardens, permeable pavement, and green roofs - that will bring our clean water management into the 21st century.

This investment will put a diverse labor force of manufacturers, specialized equipment operators, construction crews, plumbers and many other diversified skilled laborers, idled by the economic downturn, back to work by the hundreds of thousands. The American Public Works Association estimates that every billion dollars invested in water and wastewater infrastructure construction creates over 40,000 jobs. And according to the Alliance for Water Efficiency, every \$1 billion invested in water efficiency creates as many as 22,000 construction, plumbing, and manufacturing jobs. Total economic stimulus per million dollars of water efficiency investment is between \$2.5 and \$2.8 million, a significant multiplier effect. Beyond the infrastructure jobs that would be created, other critical sectors of our economy rely on clean water including the \$45 billion commercial fishing industry; soft drink manufacturers that generate \$54 billion in sales annually; and the manufacturing sector that uses more than 13 trillion gallons of water each year. Clean water is critical to our economic security and prosperity.

Our water infrastructure is reaching a tipping point in many places, having long ago outlived its fifty year life span. The American Society of Civil Engineers graded both wastewater and drinking water systems a D-, the lowest ratings of any infrastructure category. The Environmental Protection Agency estimates at least \$500 billion in unmet capital funding needs for water and wastewater systems.

Investments in cost-effective 21st century water infrastructure solutions, including green infrastructure and water efficiency, will start to address those critical needs, create good, U.S. based jobs now, and save money in the future. According to a Department of Housing and Urban Development and National Association of Home Builders Report in 2003, green infrastructure is often the most cost effective solution to stormwater management, allowing for more work to be done with a comparable outlay of funding. There are hundreds of green infrastructure and water efficiency projects ready-to-go in communities across the country waiting for investment.

The nation's water infrastructure must be modernized to deal with ballooning populations and the more frequent cycles of floods and droughts affecting communities across the country. The economic recovery and stabilization legislation can meet the critical need of the country to replace and modernize water infrastructure while spurring cascading economic development and job creation.

We look forward to working with you towards restoring the health of our country's economy and environment. We urge you to incorporate our request as part of your economic recovery and stabilization plans. Thank you for your consideration of this request.

Sincerely,

Ben Cardin

B. J. Sanders

Carey McCasill

Carl Levin

Deanne Shaker

Daniel K. Rostenkowski

Delia Stetten

Frank R. Lautenberg

Charles Sch

Thomson

Tom Fein