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Ken Kirk

May 4, 2011

The Honorable Harry Reid
Majority Leader
United States Senate
522 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
361-A Russell Senate Office Building
Washington, D.C. 20510

Dear Majority Leader Reid and Minority Leader McConnell:

As Congress begins its deliberations on the fiscal year 2012 budget, the National Association of Clean Water Agencies (NACWA) urges your support for providing at least \$1.5 billion in funding, in line with the President's fiscal year 2012 budget request, for the Clean Water State Revolving Fund (CWSRF). The CWSRF is the only form of federal funding available to assist municipalities in meeting their growing clean water needs and its support is vital to the health of our communities and to our nation's continued economic competitiveness and growth.

States are currently facing an immediate backlog of \$28 billion in municipal projects as reported in their fiscal year 2011 Intended Use Plans. In addition to this short-term challenge, the U.S. Environmental Protection Agency (EPA) reports a backlog of nearly \$300 billion worth of projects over the next twenty years to meet Clean Water Act (CWA) regulatory requirements, according to the Agency's 2008 Clean Watersheds Needs Survey. This figure is over and above the \$93 billion annually that local governments currently invest in water infrastructure improvements, a higher public expenditure than nearly every other municipal budget category with the exception of education funding.

The American Society of Civil Engineers' (ASCE) latest infrastructure report card gave the nation's water infrastructure a D-, the lowest of any category. A symptom of this assessment is the 240,000 pipe breaks occurring in the United States annually, resulting in significant losses and damages to local and regional economies. A recent EPA report warned that without significant investments in water and wastewater infrastructure, we risk losing water quality gains made since the passage of the 1972 CWA. We must not let this happen.

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Investments in clean water infrastructure spur economic growth and create jobs. A U.S. Conference of Mayors 2008 report, *Local Government Investment in Municipal Water and Sewer Infrastructure: Adding Value to the National Economy*, notes that for each public dollar invested, private long-term GDP output increases by \$6.35. According to a 2009 Alliance for American Manufacturing report entitled *How Infrastructure Investments Support the U.S. Economy*, a dollar invested in water infrastructure creates more jobs than in any other type of infrastructure. In addition, the U.S. Department of Commerce estimates that each job created in the local water and sewer industry creates 3.68 jobs in the national economy and each public dollar spent yields \$2.62 dollars in economic output in other industries.

To meet their clean water challenges, clean water utilities have raised rates by more than double the rate of inflation over the last decade. In 2010, NACWA members raised rates by 9% with similarly high increases expected for the foreseeable future. But these rate increases alone will still be insufficient to meet all the clean water challenges facing communities.

For these reasons, it is critical the federal government remains a reliable, long-term partner in meeting the nation's clean water needs and we believe that your support for the President's fiscal year 2012 budget request for the Clean Water State Revolving Fund is a vital step toward such a partnership.

Sincerely,

A handwritten signature in black ink, appearing to read "K Kirk".

Ken Kirk
Executive Director

Cc: All Members of the Senate