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Ken Kirk

October 6, 2011

The Honorable Timothy H. Bishop

Ranking Member

House Water Resources and Environment Subcommittee

House Transportation and Infrastructure Committee

United States House of Representatives

Washington, D.C. 20151

Dear Congressman Bishop:

On behalf of the National Association of Clean Water Agencies (NACWA), and its nearly 300 municipal clean water agency members nationwide, I would like to express support for the *Water Quality Protection and Job Creation Act of 2011*, which would authorize approximately \$15 billion over five years in investments for water infrastructure projects and would additionally establish a \$10 billion annual, long-term trust fund to ensure that the critical federal funding partnership with communities remains intact. The bill also would authorize a total of \$2.5 billion for sewer overflow control grants (\$500,000 per year for over five years). Federal investment in clean water infrastructure is essential to protecting public health and the environment and to creating jobs and spurring economic growth in America's cities and towns.

Modernizing and replacing the country's aging water infrastructure may be the single largest public works need that our nation faces. The American Society of Civil Engineers' (ASCE) latest infrastructure report card gave the nation's water infrastructure a D-, the lowest of any category. In fact, a recent EPA report warned that without significant investments in water and wastewater infrastructure, our nation risks losing the hard-fought water quality gains made since the passage of the 1972 Clean Water Act.

Municipalities have been some of the hardest hit by the decline in federal infrastructure funding. They face an immediate backlog of over \$40 billion in local clean water infrastructure projects and more than \$300 billion in needed investment over the next twenty years. Currently, local communities shoulder over 95% of the costs of clean water projects even though the benefits of clean water flow through many jurisdictions.

With more and more costs being borne by local governments and rate-payer bases that are being stretched increasingly thin, new sources of revenue and a robust federal funding partnership are essential to meet our nation's water infrastructure and environmental restoration needs. The *Water Quality Protection and Job Creation Act of 2011* recognizes this by establishing a Clean Water Trust Fund to provide capitalization grants to the states via the Clean Water State Revolving Fund (CWSRF). The CWSRF has been a financing bulwark for thousands of local communities that rely on the program's low-interest loans to help repair and rehabilitate wastewater treatment systems. The program, however, has been historically underfunded and not able to keep up with existing demand. Only through a dedicated source of revenue that doesn't rely on annual discretionary spending can we meet existing demand and ensure that the water quality gains we have achieved thus far are not lost.

Investments in clean water also generate jobs and spur economic activity. In fact, for every \$1 billion spent on clean water infrastructure in the U.S., 28,500 new jobs are added, \$3.4 billion is added to the GDP, and personal income is boosted by \$1.1 billion. Capital invested in clean water infrastructure is proven to generate more jobs per dollar than comparable investments in schools, transportation infrastructure, energy infrastructure, or broad-based tax cuts. Moreover, about half the jobs created from clean water investments are located in small communities with high unemployment and few alternatives to reducing it. Much of the remaining investment goes to larger cities that have the highest costs to finance their wastewater infrastructure while often facing large hurdles in terms of high rates of poverty, increasing debt loads, and shrinking rate-bases. In short, investing in clean water provides a critical path in our nation's economic recovery.

Pressured by funding shortfalls, aging infrastructure and increasingly stringent water quality criteria, clean water utilities are under immense pressure to rehabilitate their systems and meet regulatory standards without increasing local rates. In order for this to happen, the federal government must remain a reliable, long-term partner in meeting the nation's clean water needs. The *Water Quality Protection and Job Creation Act of 2011* takes a vital step toward ensuring such a partnership remains intact while creating jobs and revitalizing our economy. NACWA looks forward to working with you to develop broad-based support for this legislation and urges all Members of Congress to support it.

Sincerely,

A handwritten signature in black ink, appearing to read "K Kirk". The signature is stylized with a large "K" and a cursive "Kirk".

Ken Kirk
Executive Director