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July 18, 2017

The Honorable Rodney P. Frelinghuysen, Chairman
The Honorable Nita Lowey, Ranking Member
U.S. House of Representatives Committee on Appropriations
H-305, The Capitol
Washington, D.C. 20515

Dear Chairman Frelinghuysen and Ranking Member Lowey,

We are writing to express our concerns with the Fiscal Year 2018 Interior and Environment Appropriations bill, which cuts \$247 million from the Clean Water State Revolving Fund (CWSRF) compared to Fiscal Year 2017 enacted levels and is a \$250 million decrease compared to the President's Fiscal Year 2018 Budget Request. A well-maintained public wastewater infrastructure system is critical for public health, strong businesses, and clean waters and aquifers. Nearly 240 million Americans – 76% of the population – rely on the nation's 14,748 treatment plants for wastewater sanitation. We are concerned that a decrease in funding for the CWSRF program would have a negative impact on wastewater treatment plants in our nation, putting public health and the environment at great risk.

The American Society of Civil Engineers' (ASCE) *2017 Infrastructure Report Card* gave the nation's wastewater infrastructure a grade of "D+." All of the over 800,000 miles of aging public sewers and 500,00 miles of private lateral sewers connecting private property to public sewer lines are susceptible to failure, blockages, and overflows. As cities continue to experience population growth and as rural households switch from septic systems to public sewers, pressure on existing centralized systems will require billions of dollars in investment to meet federal regulatory requirements. Over the next two decades, it is estimated that more than 56 million new users will be connected to centralized wastewater systems, which will require the construction of 532 new systems by 2032 to meet future demand. The U.S. Environmental Protection Agency (EPA) estimates that over the course of the next 20 years, \$271 billion will be needed for wastewater infrastructure.

Currently, cities and towns across the country report that complying with federal wastewater and stormwater regulations represent some of their costliest capital infrastructure projects. Furthermore, funding for both capital projects and operations and maintenance (O&M) is difficult because the public often does not see or appreciate the modern convenience of drinking water and wastewater treatment, making it hard to convey the need for rate increases. Unfortunately, capital spending has not kept pace with needs, and if these trends continue, the funding gap will only widen, resulting in leaking pipes, source water pollution, and increases in the cost of O&M.

Since 1987, the CWSRF has been providing states and localities with a critical source of funding for water infrastructure projects through low-interest loans. Over the past five years, the federal government has provided on average \$1.4 billion per year to all 50 states and the District of Columbia. In turn, the states have provided on average a total of \$5.8 billion per year in financial assistance to eligible recipients, primarily as discounted loans. In 2015, the annual assistance agreement for the CWSRF was \$5.6 billion, and in 2016 that number increased to \$7.6 billion.

America's wastewater infrastructure provides a critical service to the public; therefore, it is crucial that sustained, significant, and strategic investments from all levels of government and the private sector are made. Any decrease in the vital CWSRF program would have a negative impact on communities' economies, environments, and public health. We support the President's FY18 Budget Request for the CWSRF, which funds the program at \$1.393 billion, and we urge you to fund it at this amount. We welcome the opportunity to work with you on this critically important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Pallasch". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brian Pallasch
Managing Director, Government Relations & Infrastructure Initiatives
American Society of Civil Engineers