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Statement for the Record of

The American Society of Civil Engineers

on

Markup of H.R. 1497

"Water Quality Protection and Job Creation Act"

United States House of Representatives

Committee on Transportation & Infrastructure

October 29, 2019

Introduction

The American Society of Civil Engineers (ASCE) appreciates the opportunity to submit our position on the importance of long-term, strategic investment in our nation's water infrastructure systems. ASCE also thanks the U.S. House of Representatives Committee on Transportation and Infrastructure for holding a markup of this critical legislation.

ASCE's *2017 Infrastructure Report Card*

Infrastructure is the foundation that connects the nation's businesses, communities, and people; serves as the backbone to the U.S. economy; and is vital to the nation's public health and welfare. Every four years, ASCE publishes the *Infrastructure Report Card*, which grades the nation's 16 major infrastructure categories using a simple A to F school report card format. The Report Card examines the current infrastructure needs and conditions by assigning grades and making recommendations to raise them.

ASCE's *2017 Infrastructure Report Card* rated the overall condition of the nation's infrastructure a cumulative grade of "D+" across sixteen categories, with an investment gap of $2 trillion. The Report Card gave our nation's wastewater infrastructure category a grade of "D+," while our nation's drinking water infrastructure category received a grade of "D."

Millions of new users are expected to be connected to centralized wastewater treatment centers in the coming years. America's wastewater and drinking infrastructure provide a critical service; therefore, it is crucial that all levels of government and the private sector make sustained, significant, and strategic investments in these infrastructure systems.

Investment Shortfalls Total Billions of Dollars

A well-maintained public drinking water and wastewater infrastructure is critical for public health, strong businesses, and clean waters and aquifers. If these trends continue, the funding gap will only widen, resulting in leaking pipes, source water pollution, and increases in the cost of operations and maintenance (O&M).

Despite increased efficiency methods and sustainable practices, there is a growing gap between the capital needed to maintain wastewater and drinking water infrastructure and the actual investments that are made. By 2025, the disparity between needed and anticipated funding for drinking water and wastewater systems will be $105 billion. 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.

Nearly 240 million Americans – 76% of the population – rely on the nation's 14,748 treatment plants for wastewater sanitation. There are over 800,000 miles of public sewers and 500,000 miles of private lateral sewers connecting private property to public sewer lines. Each of these conveyance systems is susceptible to failure, blockages, and overflows.

As cities continue to experience population growth and 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, 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)[1] estimates that over the course of the next 20 years, $271 billion will be needed for wastewater infrastructure.

Additionally, the nation's drinking water systems also face staggering public investment needs over the next several decades. According to the American Water Works Association[2], $1 trillion will be needed to maintain and expand drinking water service demands during the next 25 years. Many of the pipes that deliver drinking water in the nation were laid in the early to mid-20th century with a lifespan of 75 – 100 years. Failures in drinking water infrastructure can result in water disruptions, impediments to emergency response, and damage to other types of essential infrastructure. Every day, nearly six billion gallons of treated water is lost due to leaking pipes, with an estimated 240,000 water main breaks occurring each year. Leaky aging pipes waste about 14 to 18% of each day's treated drinking water, which is enough to support 15 million households. Lead contamination in drinking water is also a growing problem in some parts of the country

Solutions

Fortunately, Congress has provided several federal funding options that could help close the funding gap needed for wastewater and drinking water infrastructure – specifically, the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF). ASCE supports H.R. 1497, the Water Quality Protection and Job Creation Act of 2019, which reauthorizes the CWSRF at increasing levels over the next five years.

ASCE also supports the bipartisan H.R. 1764, a bill that would extend the maximum term for National Pollutant Discharge Elimination Systems (NPDES) permits issued under the Clean Water Act from five years to ten years. We believe this bill is an important step in helping our nation achieve an infrastructure system fit for the 21st century.

Of all the infrastructure categories the federal government funds, water services receive less than 5%. However, the CWSRF and DWSRF – both authorized by Congress several decades ago – play a vital role in providing much-needed support for investments in state and local drinking and wastewater infrastructure.

In the past 30 years, through the CWSRF, the federal government has loaned $42 billion

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[1] Environmental Protection Agency, Clean Water Needs Survey, 2012 Report to Congress, December 2016.

[2] American Water Works Association, Buried No Longer: Confronting Americas Water Infrastructure Challenge, February 2012

to all 50 states, the District of Columbia, and Puerto Rico all through low-interest financing. Every dollar provided by the federal government is matched at 20 percent by the state.

Likewise, the DWSRF program provides low-interest loans to state and local infrastructure projects. The EPA provides an allotment of funding for each state, and like the CWSRF, each state provides a 20% match. Since the program's inception, $35.4 billion of low-interest loans have been allocated. ASCE was pleased that the DWSRF was reauthorized at increasing funding levels in the America's Water Infrastructure Act of 2018 (P.L. 115 – 270, Sec. 2023) and also urges Congress to reauthorize the CWSRF at increasing funding levels.

In 2014, Congress authorized the Water Infrastructure Finance and Innovation Act (WIFIA) (P.L. 113 – 121, Sec. 5021), a new mechanism to primarily fund large water infrastructure projects over $20 million. This program offers the sponsors of large projects a new tool to leverage limited federal resources, stimulate additional investment in our nation's infrastructure, and encourage greater private sector participation in meeting the nation's clean water needs. The EPA estimates that a $20 million annual level of appropriations will result in approximately $1 billion in loans supporting approximately $2 billion in drinking water and wastewater infrastructure investments.

Moreover, ASCE supports H.R. 1497 and urges its passage through the House Committee on Transportation & Infrastructure. We believe our nation must prioritize the investment needs of our wastewater and drinking water infrastructure to ensure public health, a strong economy, and clean and safe water sources. Strategic, robust, and sustained investments in these water infrastructure systems from a variety of mechanisms must be made quickly if we hope to close the growing funding gap.

ASCE thanks the Committee for holding this markup and bringing attention to this critical matter. We look forward to working with you to find solutions to our nation's wastewater and drinking water infrastructure investment needs.