American Water Works Association

Dedicated to the World's Most Important Resource™

Government Affairs Office
1300 Eye Street NW
Suite 701W
Washington, DC 20005-3314
T 202.628.8303
F 202.628.2846

February 27, 2017

The Honorable Mick Mulvaney, Director
Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, NW
Room 252
Washington, DC 20503

The Honorable Scott Pruitt, Administrator
Environmental Protection Agency
William Jefferson Clinton Federal Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Director Mulvaney and Administrator Pruitt:

On behalf of the 50,000 members of the American Water Works Association (AWWA), including over 4,000 utility members, I am writing you to urge your support for federal investment in our nation's drinking water infrastructure. Water infrastructure is vital to our nation's well-being. It protects public health and the environment, supports local and national economies, protects us from fires, creates jobs and brings us a higher quality of life. As the process of creating the federal budget for Fiscal Year 2018 begins, AWWA urges you to take the following actions:

- Fund the Water Infrastructure Finance and Innovation Act (WIFIA) at $45 million, the level authorized in the Water Resources Reform and Development Act of 2014 (P.L. 113-121);
- Fund the Drinking Water State Revolving Fund (DWSRF) at $1.8 billion.
- Maintain funding at the levels found in the Further Continuing and Security Assistance Appropriations Act of 2017 (P.L. 114-254) for research that assists the Environmental Protection Agency (EPA) in preparing sound regulations related to drinking water; and
- Maintain funding at levels found in the Further Continuing and Security Assistance Appropriations Act of 2017 (P.L. 114-254) for EPA's and Office of Ground Water and Drinking Water (OGWDW) within the Office of Water (OW) to support development of sound regulations related to drinking water.

WIFIA and the DWSRF, in combination, can help communities of all sizes rebuild and repair their drinking water infrastructure. WIFIA allows the federal government to play an important role in facilitating increased local spending on infrastructure by lowering the cost of capital for water infrastructure projects. Based on estimates from the Senate Environment and Public Works Committee, Congressional appropriations could be leveraged at a ratio of 67:1. **For example, if WIFIA were to receive the $45 million authorized for FY 2018 under WRRDA 2014, the program**

could cover $3.015 billion in credit assistance. These attributes make WIFIA an ideal vehicle for meeting President Trump's goal to invest in the nation's water infrastructure.

Both WIFIA and the DWSRF help communities in the effort to meet the more than $1.3 trillion price tag for needed water infrastructure investments. Not only does investing in water infrastructure protect public health, it charges local economies and creates jobs in our communities. The US Department of Commerce Bureau of Economic Analysis (BEA) estimates that for every dollar spent on water infrastructure, about $2.62 is generated in the private economy. And for every job added in the water workforce, the BEA estimates 3.68 jobs are added to the national economy.

Meanwhile, the DWSRF program is a shining example of partnership between the federal government and the states. Since 1997, federal investment of over $19.1 billion has been matched with more than $32.5 billion from the states to provide more than 12,800 assistance agreements to help water systems improve and modernize their systems.

As you know, the work that EPA does to protect public health in regards to drinking water is based in sound research and science. Ensuring that funding to continue this important research, at minimum at the current funding levels found in the continuing resolution passed late last year, will help EPA make informed regulatory determinations on issues with our nation's drinking water. For example, in October of last year the Water Research Foundation (WRF) published "Lead and Copper Corrosion: An Overview of WRF Research," which provided summaries and background on the 41 published and six ongoing research projects that the Foundation has undertaken since 1990. Congress created the National Priorities Water Research grant program to ensure that EPA sponsors extramural research on sensible topics such as lead contamination. Providing federal funding for this national program and other water-related research will help EPA make determinations that benefit public health and drinking water utilities.

Finally, providing funding for OW and OGWDW to help the agency develop and implement, sound regulatory actions with adequate stakeholder engagement is fundamental to the work of EPA, the state primacy agencies, and stakeholders throughout the water sector. Under the Safe Drinking Water Act (SDWA), there has been a history of collaborative rulemakings that have handled difficult risk management challenges. Going forward, the existing Six-Year Review process has brought up several tough issues that will require a concerted effort to engage stakeholders at multiple levels and jurisdictions. A commitment from this administration to ensure that the funding necessary to tackle these challenges is available will safeguard the drinking water regulatory process and certify the involvement of all essential parties.

AWWA would be happy to discuss the WIFIA program, DWSRF, or other drinking water issues with you further. Please feel free to call me or Sean Garcia on my staff (202-326-6122) if you have any questions or need further information.

Yours Sincerely,

G. Tracy Mehan, III
Executive Director of Government Relations
American Water Works Association