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The Authoritative Resource on Safe WaterSM

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Massive Stimulus Program Being Readied; Congress Needs to Hear from Drinking Water Sector

President-Elect Obama has called on Congress to develop a massive economic stimulus program that includes infrastructure investment. Congressional leaders are now working up legislation that Obama could sign as early as the afternoon of inauguration day, January 20. While other forms of infrastructure have featured prominently in public statements by Transition and Congressional leaders, drinking water has not. **AWWA is asking its members to do two things: 1) urgently communicate with Congress in support of at least \$10 billion for drinking water infrastructure; and 2) urgently communicate with your state SRF or infrastructure financing authority concerning your projects that can be “shovel ready” very soon.** States will need to obligate funds quickly and need to know now what projects you may have, regardless of whether they are on your state’s Intended Use Plan.

The focus of the bill – which could carry a price tag of \$500 billion or more – will be on projects that are ready to “turn dirt” very quickly, in order to stimulate jobs. The discussion on Capitol Hill concerns projects that can commence construction within 120 days of the commitment of funds, though it is not clear when that clock would start (for example, commitment of funds to the state, or commitment to a particular utility?). Although it is likely that funds will go through established funding mechanisms like the State Revolving Fund, it is possible there will be funds made directly available to local governments. There could also be funds earmarked for individual projects, although that is being discouraged and limited by Congressional leaders.

If you contact your congressional delegation, please consider making the following points:

- AWWA has conservatively estimated that there is at least \$10 billion in drinking water infrastructure projects “ready to go.” This is consistent with the request for drinking water funds by the US Conference of Mayors.
- This level of funding would employ more than 400,000 people through drinking water projects, according to widely accepted construction multipliers.
- Drinking water and wastewater projects should be funded equally in the stimulus program. Every study by EPA and others has shown approximate parity in needs between drinking water and wastewater utilities.

- Systems of all sizes must be eligible for stimulus funds, even though some states discourage large systems from accessing their “normal” SRF program. There are many large system projects ready to go that can put tens of thousands of people to work.

If you wish to mention projects you have ready to go in your system and seek an “earmark” for such projects, please also make the points above on behalf of the entire water community. This is not a time for the philosophy of “every man for himself.”

AWWA’s letter to all members of Congress is attached.

Obama Names Environmental Team

President-Elect Obama has named Lisa Jackson, Chief of Staff to New Jersey Governor John Corzine and former head of the New Jersey Department of Environmental Protection, to head EPA in the coming Administration. Obama also named former EPA Administrator Carol Browner to a newly created White House position overseeing energy, environmental, and climate-related policies and initiatives. Nancy Sutley, a Deputy Mayor of Los Angeles and former EPA Clinton Administration EPA official, will head the White House Council on Environmental Quality. Finally, Obama announced that Steven Chu, a Nobel Prize winning physicist who currently heads the Lawrence Berkley National Laboratory, will head the Department of Energy.

Taken together, these appointments suggest that the new Administration will be very serious about climate change and other environmental issues. Chu has told the Washington Post that many of the world’s best scientists “realize that this (i.e. climate change) is getting down to a crisis situation.” Browner and Jackson are also known to view climate change as urgent problems needing a strong federal response.

As head of the New Jersey DEP, Jackson oversaw implementation of a state-wide chemical security program that is considered the toughest in the nation. The federal chemical security program is up for review in the coming Congress, and the ability to use chlorine gas as a drinking water disinfectant will be a prominent issue in the coming debate.

As always, please contact your AWWA Washington Office if you have questions or comments.



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Members of the U.S. House of Representatives
Members of the United States Senate

Dear Representatives and Senators,

As Congress considers legislation to stimulate the nation's economy, we ask that you appropriate **at least \$10 billion for investment in drinking water infrastructure**. There are at least that many drinking water projects ready to go as soon as a funding commitment is made, based on a recent survey of our utility members.

These projects would immediately **employ more than 400,000 American workers** on repairs and improvements to water mains, leaking pipes, water treatment plants, pumping stations, storage reservoirs, elevated tanks, security safeguards, and similar projects. Most of these projects not only protect public health and the environment, but they are very labor intensive.

It is critical that drinking **water utilities of all sizes must be eligible for stimulus funds**, even though some states discourage large systems from accessing their "normal" State Revolving Fund (SRF) program. There are numerous large system projects ready to go that can immediately put tens of thousands of people to work.

We also ask that you ensure equal funding for drinking water and wastewater (sewerage) projects. Every study by EPA and others has shown approximate parity in needs between drinking water and wastewater utilities.

In addition to directly putting people to work, investments in drinking water infrastructure highly stimulate other economic activity. Water projects depend on American pipe, fittings, cement, aggregates, and other products. The US Conference of Mayors estimates that every job created in rebuilding our water systems creates over 3.6 jobs elsewhere, and every dollar invested in water infrastructure adds \$6.35 to the national economy. Needless to say, investments in water infrastructure also create lasting benefits by strengthening public health, safety, and our quality of life.

We look forward to helping you in any way possible as you craft this important legislation. Please do not hesitate to contact me if there is anything we can do to be of assistance.

Sincerely,

Tom Curtis
Deputy Executive Director
for Government Affairs