



**American Society of Civil Engineers**

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**Testimony of  
The American Society of Civil Engineers  
Before The Subcommittee on Water Resources and Environment  
House Transportation and Infrastructure Committee  
On Opportunities and Challenges in the Creation of a Clean Water  
Trust Fund  
July 15, 2009**

Good afternoon, Madame Chairwoman and Representative Boozman:

My name is Dale Jacobson. I am a licensed Professional Engineer in Nebraska and Iowa. I am president of Jacobson Satchell Consultants, a consulting engineering firm with offices in Omaha, Nebraska, and Denver, Colorado. I have 40 years' experience in the engineering of municipal and industrial wastewater, drinking-water, groundwater, solid waste, hazardous waste, and low-level radioactive waste.

I am pleased to appear today on behalf of the American Society of Civil Engineers\* (ASCE) to testify on opportunities and challenges in the creation of a trust fund to provide funding for clean and safe water and to discuss the Water Protection and Reinvestment Act introduced by Mr. Blumenauer.

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\* ASCE was founded in 1852 and is the country's oldest national civil engineering organization. It represents more than 146,000 civil engineers individually in private practice, government, industry, and academia who are dedicated to the advancement of the science and profession of civil engineering.

## **I. SUMMARY**

America's drinking-water and wastewater infrastructure systems are aging. Many systems are well beyond their design lives. New methods of financing improvements to these critical structures are vitally needed. ASCE believes that funding for water infrastructure improvements and associated operations requires a comprehensive program to provide financial support for all systems. To that end, ASCE supports the creation of a trust fund to finance the national shortfall in funding of infrastructure systems under the Clean Water Act and the Safe Drinking Water Act, including stormwater management and other projects designed to improve the nation's water quality.

The Blumenauer bill would create a trust fund for drinking-water and wastewater infrastructure needs and raise approximately \$11 billion annually from a number of new revenue sources, each designed to provide a stable source of funds. The bill would create a budgetary firewall to ensure that all monies received into the trust fund would be appropriated for the two State Revolving Loan Fund (SRF) programs.

This legislation is vitally needed. If enacted, the Water Protection and Reinvestment Act would begin the process of restoring our nation's threatened surface water and drinking-water resources.

## **II. THE ISSUE TODAY**

In March, ASCE released its 2009 Report Card for America's Infrastructure. A total of 15 separate infrastructure systems earned an overall grade of D. Moreover, ASCE identified a \$2.2 trillion need for infrastructure funding over the next five years, with about half of that money assured under current funding arrangements. This leaves a gap of \$1.1 trillion to be met from new sources of revenue.

In our *Report Card*, drinking-water earned a D-. America's drinking-water systems face an annual shortfall of at least \$11 billion to replace aging facilities that are near the end of their useful life and to comply with existing and future federal water regulations. This does not account for growth in the demand for drinking-water over the next 20 years. Leaking pipes lose an estimated seven billion gallons of clean drinking-water a day. Although Americans still enjoy some of the best tap water in the world, the costs of treating and delivering that water where it is needed continue to outpace the funds available to sustain the system.

Meanwhile, aging wastewater treatment systems discharge billions of gallons of untreated wastewater into U.S. surface waters each year. The U.S. Environmental Protection Agency estimates that the nation must invest \$390 billion over the next 20 years to update or replace existing systems and build new ones to meet increasing demand. Wastewater continues to be among the lowest grades on the *Report Card*, earning a D- in 2009.

### **III. THE IMMEDIATE NEED**

In January, this Committee led the fight to pass the American Recovery and Reinvestment Act. That act, signed into law in February, provided an estimated \$100 billion for all U.S. infrastructure needs as an emergency job-creation measure for Fiscal Year 2009. But the Recovery Act was more than just a jobs bill, as important as that effort was to the economy. The funding in the law represented a partial down payment on the \$1.1 trillion, five-year infrastructure investment gap identified by the *Report Card*—a gap that threatens our economic strength at least as much as the recession and endangers our environment and public health as well.

That is why ASCE strongly supports the creation of a trust fund to finance the national shortfall in funding of infrastructure systems under the Clean Water Act and the Safe Drinking Water Act. Such a trust fund would provide a steady source of funding for many decades.

The trust fund should provide a deficit-neutral, dependable source of revenue to help states and local communities replace, repair, and rehabilitate critical drinking-water and wastewater treatment facilities. The fund should contain budgetary firewalls to ensure that a reliable amount of financial aid goes to state and local governments annually.

There are a variety of financial mechanisms that may be suitable to provide revenue for the trust fund. These include annual appropriations from general treasury funds; issuance of revenue bonds and tax exempt financing at state and local levels; public-private partnerships; state infrastructure banks; user fees on certain consumer products; and other innovative financing mechanisms, including broad-based environmental restoration taxes, to address problems associated with water pollution, wastewater management and treatment, and stormwater management. Some of these sources are found in the Blumenauer legislation. We should point out, however, that we do not endorse a specific approach to financing a trust fund.

#### **IV. LOOKING TO THE LONG TERM**

The nation's infrastructure faces some very real problems that threaten our way of life if they are not addressed. We concluded in March that these problems are solvable if we have the needed vision and leadership. Raising the grades on our infrastructure will require us to seek and adopt a wide range of structural and non-structural solutions in every category, including technical advances, funding and regulatory changes, and changes in public behavior and support.

ASCE has developed five key solutions to begin raising the grades. They are:

- Increase federal leadership in infrastructure to address the crisis.

- Promote sustainability and resilience in infrastructure to protect the natural environment and withstand natural and man-made hazards.
- Develop national, state, and regional infrastructure plans that complement a national vision and focus on system-wide results.
- Address life-cycle costs and ongoing maintenance to meet the needs of current and future users.
- Increase and improve infrastructure investment from all stakeholders.

Thank you, Madame Chairwoman and Members of the Subcommittee. That concludes ASCE's testimony. I would be pleased to answer any questions that you may have.

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