

# **Statement for the Record of The American Society of Civil Engineers**

## **Senate Environment and Public Works Committee Hearing**

### **Implementing IIJA: Perspectives on The Drinking Water and Wastewater Infrastructure Act**

**March 15, 2023**

## **Introduction**

The American Society of Civil Engineers (ASCE) appreciates the opportunity to submit a statement to the Senate Committee on Environment and Public Works for its March 15, 2023 hearing discussing the implementation of the Drinking Water and Wastewater Infrastructure Act (DWWIA) under the Infrastructure Investment and Jobs Act (IIJA).

The passage of the IIJA provided a much needed down payment to improve the nation's water infrastructure and strengthen public health and safety. Among the most important DWWIA provisions in IIJA was the reauthorization and provision of funds for essential water infrastructure financing tools like the Clean Water and Drinking Water State Revolving Fund (SRF) programs and the Water Infrastructure Finance and Innovation Act (WIFIA) program. These programs are invaluable to supporting community investments in drinking water infrastructure and water treatment systems. Investments in the replacement of lead service lines are also essential to protecting public health and safety and ensuring that communities have access to clean water.

However, ASCE has always believed that these investments should not serve as a substitute for annual appropriations, but rather as a first step toward ensuring more effective and sustainable infrastructure systems. The investments made in IIJA will not produce the intended results of creating 21<sup>st</sup> Century infrastructure systems if they are not sustained over time through annual appropriations. This is particularly true of programs such as the Clean Water and Drinking SRF programs, which are routinely funded below authorized levels.

Both the Environmental Protection Agency (EPA) and Congress have made significant advances in improving infrastructure systems by passing the IIJA and implementing the law in an effective way which empowers communities. However, it is critical that all parties show a continued commitment to supporting effective implementation with appropriate federal resources. This will help to ensure that the maximum value is derived from these investments and will produce sustainable results for years to come.

### ***ASCE's 2021 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, safety, and welfare. Every four years, ASCE publishes the *Infrastructure Report Card*, which grades 17 major infrastructure categories using a simple A to F school report card format. In March of 2021, ASCE released its *2021 Report Card Report Card for America's Infrastructure*<sup>1</sup>, giving the nation's overall infrastructure a grade of "C-," and identified an investment gap of \$2.2 trillion. While the overall GPA increased into the "C" range for the first time since ASCE began grading the nation's infrastructure in 1998, much of critical water resources infrastructure continue to face significant challenges. In the 2021 Report Card, wastewater infrastructure received a grade of "D+," while stormwater infrastructure received a grade of "D". And while the nation's drinking water infrastructure saw an improvement from the previous report card with a grade of "C-" these systems are aging and underfunded to the point where there is a water

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<sup>1</sup> <https://www.infrastructurereportcard.org/>

main break every two minutes resulting in an estimated loss of six billion gallons of treated water per day.<sup>2</sup>

To further raise these grades, ASCE urges Congress to prioritize policies which reduce the water infrastructure funding gap. This includes ensuring that programs like the DWSRF and CWSRF receive robust annual appropriations, and by encouraging greater investment from public and private sources.

### **Investment Shortfalls Total Trillions of Dollars**

A well-maintained public drinking water and wastewater infrastructure is critical for public health, strong businesses, and clean waters and aquifers. However, funding both capital projects and operations and maintenance (O&M) is difficult because the public often does not appreciate the modern convenience of wastewater and drinking water treatment, making it difficult to convey the need for water rate increases. Furthermore, capital spending has not kept pace with needs. 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.

In 2021, ASCE released the latest version of its *Failure to Act* economic report which details the cost of chronic underinvestment in American infrastructure. *Failure to Act* assesses 11 infrastructure categories, including water and wastewater, and found that across all sectors the total investment gap between projected infrastructure needs and likely investment was more than \$2.6 trillion by the end of the current decade and more than \$5.6 trillion by the end of the next decade.<sup>3</sup> The report further noted that if this investment gap were not to be addressed across infrastructure sectors, the economy would lose more than \$10.3 trillion in Gross Domestic Product by 2039.<sup>4</sup>

Since the release of the 2021 *Failure to Act* report Congress passed the IIJA, investing \$1.2 trillion in American infrastructure over five years, including the nearly \$50 billion water invested in water infrastructure. ASCE has begun work on a new study which will explore how IIJA- along with other major actions since 2021 such as the passage of Inflation Reduction Act and the American Rescue Plan, and state and local actions- have impacted the infrastructure investment gap. Our national committee of experts, who will help to prepare this report, will also examine fundamental assumptions underpinning ASCE's analysis, including how we think about infrastructure funding post-IIJA and whether or not we will see sustained federal investment in some or all infrastructure categories in the future. We expect these results to be published by the Summer of 2024.

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<sup>2</sup> American Society of Civil Engineers, *2021 Report Card for America's Infrastructure, Drinking Water*, <https://infrastructurereportcard.org/wp-content/uploads/2017/01/Drinking-Water-2021.pdf>.

<sup>3</sup> American Society of Civil Engineers, *Failure to Act: Economic Impacts of the Status Quo Investment Across Infrastructure Systems*, 2021, [https://infrastructurereportcard.org/wp-content/uploads/2021/03/FTA\\_Econ\\_Impacts\\_Status\\_Quo.pdf](https://infrastructurereportcard.org/wp-content/uploads/2021/03/FTA_Econ_Impacts_Status_Quo.pdf).

<sup>4</sup> Ibid.

## Appropriations

One of the most important things that Congress can do is support robust appropriations for water infrastructure programs. DWWIA provisions in IJA provided nearly \$50 billion for water infrastructure programs, including \$11.7 billion for the CWSRF and DWSRF general programs. These programs play a vital role in providing states with federal resources to support low-interest loans for water infrastructure improvements. While these investments were a critical down payment, annual appropriations for these two critical programs have remained flat since FY 2019 with the CWSRF receiving approximately \$1.638 billion, and the DWSRF receiving \$1.126 billion annually. In order to address the growing water infrastructure investment gap, ASCE strongly supports tripling the current enacted funding levels to \$4.92 billion and \$3.4 billion for the CWSRF and DWSRF respectively.<sup>5</sup>

IJA also authorized several new water infrastructure programs derived from DWWIA to address water infrastructure challenges in disadvantaged communities, and to enhance the resilience of water infrastructure systems. In FY 2023, Congress appropriated \$16 million to fund four of these programs- the Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Grant Program, the Indian Reservation Drinking Water Grant Program, the Storm Water Infrastructure Technology Grant Program, and the Enhanced Aquifer Use and Recharge Grant Program. While all four of these programs were funded below their authorized funding levels, providing resources to these new programs is an important step in the right direction to ensuring that they can assist communities and serve their intended purpose. In order for ensure this law to meet their full potential, ASCE strongly supports fully funding all new DWIIA programs authorized in IJA.<sup>6</sup>

## Continued Focus on Lead Service Line Replacement

ASCE strongly supports programs that focus on the removal of lead from drinking water in order to improve water quality. This includes prioritizing lead line, service line and plumbing removal or replacement.<sup>7</sup> DWWIA provisions in IJA, including \$15 billion through the Drinking Water SRF to remove lead service lines, demonstrate a commitment by Congress and the Biden Administration to addressing these challenges. The Biden Administration's Lead Pipe and Paint Action Plan further demonstrates this commitment with the stated goal of replacing all lead pipes in the next decade.<sup>8</sup>

On January 27, 2023, EPA announced its initiative to rapidly advance the administration's lead pipe removal goal. The Lead Service Line Replacement Accelerators Initiative is a collaboration

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<sup>5</sup> May 5, 2022, ASCE Letter to House Appropriators on FY 2023 Interior, Environment, and Related Agencies Appropriations Bill, <https://www.asce.org/-/media/asce-images-and-files/advocacy/documents/2022-05-05-asce-house-appropriations-subcommittee-on-interior-environment-fy23-request.pdf>.

<sup>6</sup> June 14, 2022, Coalition Letter to House and Senate Appropriations Committees Supporting Full FY 2023 Funding for IJA Authorized Water Infrastructure Programs, <https://www.asce.org/-/media/asce-images-and-files/advocacy/documents/2022-06-14-ija-water-programs-fy23-appropriations-letter.pdf>.

<sup>7</sup> ASCE Policy Statement 361- Safe Drinking Water, <https://www.asce.org/advocacy/policy-statements/ps361---safe-drinking-water>.

<sup>8</sup> Fact Sheet: The Biden-Harris Lead Pipe and Paint Action Plan, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/12/16/fact-sheet-the-biden-harris-lead-pipe-and-paint-action-plan/>.

between EPA and four state-partners- Connecticut, New Jersey, Pennsylvania, and Wisconsin- to provide technical assistance to 40 communities in those states to speed up service line replacement projects and access funds made available by IJA. ASCE strongly supports initiatives like this, which will help to ensure that investments made by the infrastructure law will have the greatest impact on communities most impacted by lead contamination. We encourage EPA to continue to build on these programs and to prioritize systems with the highest concentration of lead.

## Needs Surveys

One of the most important ways EPA can effectively implement DWWIA is to adequately identify current drinking water and clean water infrastructure improvements that are required to have modern, resilient infrastructure. EPA is required to conduct assessments of these infrastructure needs through its Drinking Water Needs Survey and Assessment, and Clean Watersheds Needs Survey. The Drinking Water Needs Survey and Assessment is conducted every four years, and measures drinking water infrastructure needs over the ensuing 20 years. EPA works with state and community water systems to estimate eligible needs. Similarly, the Clean Watersheds Needs Survey assesses capital costs to make necessary improvements to wastewater and stormwater infrastructure systems. This survey is intended to provide guidance to meet water quality goals of the Clean Water Act and address related public health concerns. The Clean Watershed Needs Survey, like the Drinking Watershed Needs Survey and Assessment, is ideally conducted every four years, and collects data on wastewater collection and treatment facilities, stormwater and combined sewer overflows control facilities, and nonpoint source pollution control projects. Upon completion of the assessments, EPA provides a report to Congress on the results which serves as the basis for DWSRF and CWSRF grant allocations to states.

As noted, these assessments are ideally conducted every four years. The last Drinking Water Needs Survey and Assessment was completed in 2018, and assessed the total 20 year drinking water infrastructure needs stood at \$472.6 billion. ASCE encourages EPA to move forward with a new assessment in a timely manner to ensure an accurate assessment of current water system needs.

A new Clean Watersheds Needs Survey, however, has not been completed since 2012 when it estimated a total need of \$271 billion. DWWIA took steps to address the latter by requiring a new Clean Watersheds Needs Survey be conducted within two years of enactment of IJA, and every four years thereafter, providing \$5 million to complete the initial survey. EPA has set a deadline of April 28, 2023 for states to provide data to EPA for its report to Congress, which is expected later this year. We applaud EPA's efforts to implement this requirement and urge continued progress toward completing the survey this year. This is consistent with recommendations made by ASCE's *2021 Report Card for America's Infrastructure*. ASCE also encourages EPA to utilize the Clean Watersheds Needs Survey process to elicit new data related to stormwater infrastructure, including maintenance, repair, urban flooding, and pollution prevention.<sup>9</sup>

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<sup>9</sup> American Society of Civil Engineers, *2021 Report Card for America's Infrastructure*, Stormwater, <https://infrastructurereportcard.org/wp-content/uploads/2020/12/Stormwater-2021.pdf>.

## **Conclusion**

ASCE wishes to thank Chairman Tom Carper (D-DE) and Ranking Member Shelley Moore Capito (R-WV) of the Senate Environment and Public Works Committee for holding this important hearing on implementation of the IIJA. We encourage the Congress to continue to work closely with EPA to ensure that the law fulfills its potential to improve and modernize the nation's clean water and drinking water infrastructure. In the coming years, implementation of DWWIA provisions in IIJA will have the ability to ensure infrastructure systems provide better service to consumers, produce better public health outcomes, and help communities to better withstand the increasingly severe impacts of climate change. We encourage both EPA and Congress to utilize ASCE as a partner and a resource in these efforts to deliver more modern and sustainable infrastructure for the nation.