
Clean Water Council report demonstrates economic impact of water infrastructure investment

On June 12, the Clean Water Council (CWC) announced the results of a highly anticipated study regarding the impact that water and wastewater infrastructure has on the economy. The study, *Sudden Impact: Assessment of Short-Term Economic Impacts of Water and Wastewater Projects in the United States*, demonstrates the significant economic benefits of water and wastewater infrastructure projects both during project construction and well after project completion.

Specifically, the report shows that a \$1 billion investment in water and wastewater infrastructure results in total national output (i.e., demand for products and services in all industries) of between \$2.87 and \$3.46 billion, creates up to 26,669 new jobs (with average annual earnings for the construction portion of the jobs at an impressive \$50,396) and generates personal (household) income of between \$1.01 and \$1.06 billion. About one-half of those jobs are in industries outside of water and wastewater construction, further illustrating the broad reach of the initial investment. In addition, each \$1 billion invested generates approximately \$82.4 million in state and local tax revenue.

The report was coordinated by the National Utility Contractors Association (NUCA), which manages the CWC. AED is a CWC member and provided financial support for the project through the AED Washington Education Fund. The results are based on actual data collected from 116 water and wastewater construction projects in five demographically diverse states, including 73 different counties. The projects were completed in 2006 and 2007 and encompass a comprehensive array of geographic regions, project types, sizes, materials, construction methods and labor markets. To view the study in its entirety, visit http://www.nuca.com/files/public/CWC_Sudden_Impact_Report_FINAL.pdf

The latest economic impact study on the importance of water and wastewater infrastructure investment supports the study conducted last summer by AED and NUCA, which determined that 12 percent of the average underground water utility project is attributable to equipment costs. Given the impact that water and wastewater infrastructure investment has on equipment dealers and the overall economy, AED has made the increase of water infrastructure funding one of our top legislative priorities.

On May 7, Sens. Ben Cardin (D-MD), chairman of the Senate Environment and Public Works (EPW) Water and Wildlife Subcommittee, and Barbara Boxer (D-CA), EPW chairwoman, joined Sens. James Inhofe (R-OK), EPW ranking member, and Mike Crapo (R-ID), ranking member of the EPW Water and Wildlife Subcommittee, to introduce the Water Infrastructure Financing Act (S. 1005). The legislation would dramatically increase federal funding for water infrastructure construction, thereby expanding equipment markets while addressing an infrastructure investment crisis that threatens public health, the environment, and the economic vitality of communities across the country.

S. 1005 would authorize \$14.7 billion for the Drinking Water State Revolving Fund (SRF), \$20 billion for the Clean Water SRF over the next five years, and authorize \$1.85 billion for a nationwide grant program to address combined sewer overflows. Additionally, the legislation would provide \$60 million per year for grants to states and municipalities to reduce lead in drinking water and \$50 million to address agriculture-related water quality issues. By comparison, in recent annual appropriations bills the sewer and drinking water programs have received less than \$1 billion each. Based on the AED/NUCA study from last summer, the \$36.7 billion provided for the Drinking Water and Clean Water SRFs in the Senate legislation would create an estimated \$4.4 billion in equipment market opportunity over the next five years.

On May 14, the EPW Committee passed S. 1005, with overwhelming bipartisan support. The legislation is now

Senate to act quickly on the legislation. Earlier this year, the House passed similar legislation (Water Quality Investment Act, HR 1262) to reauthorize the Clean Water SRF.

S. 1005 offers the best opportunity in years to reauthorize the Clean Water and Drinking Water SRFs. The Clean Water SRF has not been reauthorized in 22 years, and the Drinking Water SRF has not been reauthorized in 13 years.

Visit AEDaction.org to send a letter to your senator urging quick action on S. 1005.