



February 25, 2022

The Honorable Tom Carper
Chairman
Committee on Environment
and Public Works
United States Senate
Washington, DC 20510

The Honorable Peter DeFazio
Chairman
Committee on Transportation
and Infrastructure
U.S. House of Representatives
Washington, DC 20515

The Honorable Shelley Moore Capito
Ranking Member
Committee on Environment
and Public Works
United States Senate
Washington, DC 20510

The Honorable Sam Graves
Ranking Member
Committee on Transportation
and Infrastructure
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Carper, Chairman DeFazio, Chairman Pallone, Ranking Member Capito, Ranking Member Graves, and Ranking Member McMorris Rodgers:

The U.S. Chamber of Commerce calls on Congress to engage with the business community, state and local governments, civil society, and other stakeholders to hold a national dialogue on modernizing our water and resilience policies. The Safe Drinking Water Act, the Clean Water Act, and other federal water resource policies should be updated to fit this important time in our history. The collaboration and bipartisan process that forged H.R. 3684, the bipartisan Infrastructure Investment and Jobs Act (BIF) and its unprecedented funding levels should be replicated.

The Chamber would be pleased to bring together initial stakeholder discussions. As these efforts begin, the Chamber supports several improvements that are necessary for the programs in the BIF to achieve their full potential. Congress should consider these improvements in future legislation related to water infrastructure and policy. We also look forward to working with you and our federal and state partners as the BIF is implemented.

Last year, we shared suggestions on proposed water policy priorities for 2021. Although some of these issues are incorporated into the BIF to some degree, we write to reaffirm these priorities and highlight the items that should receive further attention:

- **Funding and Finance.** Congress should offer more flexibility to mobilize private capital and promote public-private partnerships. Formulas for the SRFs should be modernized.
- **Regulatory Flexibility.** Congress should provide the regulated community with needed flexibility and alternative compliance pathways to meet water quality requirements, including off-site stormwater, integrated planning, permit certainty, water quality trading, and other market-based management options. Also, we suggest that recipients of federal water funding be required to include an evaluation of their full costs to ensure financial accountability and transparency.
- **Resilience and Adaptation.** The Senate authorized two grant programs in the BIF to improve the resilience and operational sustainability of public water systems. However, the amounts authorized are insufficient to achieve widespread improvements in resilience and efficiency, particularly in light of the large number of disadvantaged small systems in need of assistance. Moreover, the Senate did not incorporate appropriations for even the small authorizations that were included.

Congress should increase and fully appropriate the authorizations for these programs. We are pleased that the White House has designated a lead on resilience and critical infrastructure. We urge Congress to call for a national resilience strategy that implements predisaster mitigation and resilience policies and funding across the federal agencies and the United States.

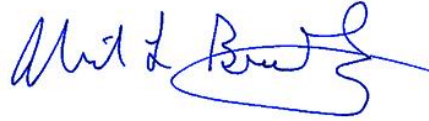
- **Technology Innovation and Adoption.** Congress should increase and fully appropriate authorizations for technology innovation programs and smart, digital technologies to transform and make water infrastructure management more effective by reallocating funds to programs that will support disadvantaged utilities. In addition, it should create an industrial water reuse tax credit, provide R&D for PFAS treatment technologies, and make point-of-use/point-of-entry (POU/POE) technologies eligible for environmental justice funding.

More details and suggested policies are contained in Appendix 1.

Prompt legislative action to support infrastructure can provide a strong foundation for needed economic recovery and continued environmental progress. We

urge you to join us in this effort and advance these policies as WRDA, regional water, and other proposals proceed.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil L. Bradley". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Neil L. Bradley
Executive Vice President,
Chief Policy Officer,
and Head of Strategic Advocacy
U.S. Chamber of Commerce

cc: Members of the Senate Committee on Environment and Public Works
cc: Members of the House Committee on Transportation and Infrastructure
cc: Members of the House Committee on Energy and Commerce

Appendix 1—Key U.S. Chamber 2022 Water Priorities

- **Environmental Justice.** Liquidity and affordability are critical issues impacting water systems as we make investments in our infrastructure to better serve all communities, including those without current water and sanitation access, and help improve quality of life. Congress should provide research and pilot opportunities that tie job growth to utility capital improvements and offer access to POU/POE technologies as interim water quality solutions in low-income and marginalized communities. Congress should also consider funding and how best to build on the low-income assistance pilot contained in the BIF.
- **Funding.** The Chamber supports continued full funding for State Revolving Funds, the Water Infrastructure Finance and Innovation Act, and U.S. Department of Agriculture’s rural development programs. We recommend elevating stormwater management funding to an independent agency function on a similar level as drinking water and wastewater. We also recommend increasing funding for the Border Water Infrastructure Program to address U.S.-Mexico water and wastewater challenges. Likewise, more funding is needed particularly for small, disadvantaged communities to address increasing treatment requirements for emerging contaminants (e.g., PFOA, PFOS, lead, and copper) beyond amounts included in the BIF.

Increased funding should be provided to EPA’s Categorical Grant Programs to allow expansion of eligibility, which currently includes the Great Lakes Restoration Initiative, Chesapeake Bay, Puget Sound, Gulf of Mexico, Long Island Sound, Lake Champlain, Southern New England Estuaries, South Florida, and Lake Ponchartrain, to contain the Ohio River Basin

- **Incentives for troubled system assistance.** Congress should incentivize public and private utilities and other appropriate entities with the resources to help smaller systems that are out of compliance. This effort should provide a safe harbor that proscribes enforcement for a defined period for the acquirer of a troubled system to bring it into compliance and extend an investment tax credit to the acquirer of noncompliant systems with fewer than 10,000 service connections.
- **Interagency coordination and elevation of water as a national priority.** Congress should formalize the [water subcabinet](#) to ensure that the approximately 30 agencies and commissions with jurisdiction over water are aligning their funding and water management approaches. We suggest raising the priority of water by creating a special assistant to the president for global water and water infrastructure policy.
- **Public-private partnerships.** Congress should support private eligibility for Clean Water Act State Revolving Loan Fund projects, remove the cap on private activity bonds, and prioritize grants or loans to those projects that bring private investment to complement federal financing and funding.

- *Collaborative project delivery*—Options could include design-build, design-build-operate, progressive design-build, and/or construction manager at risk — and should be encouraged for federally funded water infrastructure projects. The approaches all streamline the planning, design, construction, and ongoing management of major infrastructure projects and typically result in faster project starts and completion, clearer staffing needs, cost savings, reduced risk, and project continuity. This process brings together the stakeholders—owners, architects, planners, engineers, and construction personnel—earlier, allowing for flexible materials selection, integrated planning, and delivery by maintaining connectivity throughout the project implementation, while reducing costs and delays to the federal government. Collaborative delivery has been widely adopted in other sectors and promotes public-private partnerships, primarily in transportation and defense construction, but its potential has not been fully realized in the water space.
- **Regulatory flexibility.** The Chamber supports fostering commonsense, alternative compliance opportunities to meet water quality requirements, including overseeing off-site alternative compliance for stormwater management; promoting water quality trading and other market-based mechanisms; requiring EPA to develop a compendium of off-site best management practices; promoting permit certainty for Waters of the United States; allowing utilities to meet goals of operational efficiencies and energy use and water quality standards; exempting water filters from being treated as pesticidal devices under FIFRA requirements if they meet robust industry standards and certifications; encouraging water filter eligibility under disaster response; and establishing a national PFAS drinking water treatment standard based on sound science.
- **Resilience.** In sections 50106 and 50107 of the BIF, the Senate authorized several grant programs to improve the resilience and operational sustainability of public water systems. However, the amounts authorized are insufficient to achieve widespread improvements in resilience, particularly in light of the large number of disadvantaged small systems needing assistance. Moreover, Congress did not incorporate appropriations for even the small authorizations that were included. Congress should increase and fully appropriate the authorizations for these programs. The Chamber also supports the following:
 - Promoting predisaster mitigation solutions, including creating a resilience predevelopment fund to provide communities with needed project planning assistance.
 - Passing the bipartisan National Climate Adaptation and Resilience Strategy Act to develop a national resilience strategy and establish a chief resilience officer.

- Hardening water and wastewater infrastructure to withstand and respond to extreme weather, wildfire, and seismic risks, including the use of green infrastructure and nature-based solutions.
- Permanently authorizing and expanding disaster response under the Community Development Block Grant program to include predisaster mitigation and small business contingency planning.
- Fully funding (6% of federal disaster declaration funding under current law) FEMA's Building Resilient Infrastructure and Communities (BRIC) program and recognition of American National Standards in the program.
- Passage of the Resilient America Act to increase FEMA's BRIC funding from 6% to 15% of federal disaster declaration funding.
- Applying big data and machine learning to help build smarter, more resilient infrastructure, enhance system cybersecurity, and offer integration and interoperability with other lifeline infrastructure.
- **Tariff exemptions for water/sanitation-related products.** Congress should provide an exemption for the current 25% tariff on water filtration and other related products, which makes these products more expensive to those consumers most in need of better water quality and least able to afford it. Furthermore, if Congress opts to reinstate all previously granted Section 301 tariff exclusions, it should apply retroactive reimbursement of tariffs paid to each of those products, including water filtration devices.
- **Technology innovation.** In sections 50112, 50205, and 50207 of the BIF, the Senate authorized three grant programs, including programs targeted to disadvantaged communities to encourage the development and adoption of water technology innovation. However, the amounts authorized for those programs are insufficient to actually drive the level of technology adoption required to transform our water systems into a smarter and more effective system, and the Senate did not include appropriations for even the small authorizations that were included. Congress should reallocate some of the funding authorized under section 50104 to sections 50106, 50112, and 50207, which address the operational sustainability, resiliency, and efficiency of small water systems through the use of smart, digital, and advanced technologies, and fully appropriate the authorizations for these programs. We also suggest extending authorization to expand and fully fund the technology innovation fund created in the American Water Infrastructure Act of 2018; creating a new industrial water reuse tax credit; providing funding for federal export promotion programs on water; engaging the Department of Commerce on the proposed U.S. Clean Technologies Export Competitiveness Strategy; and promoting research in water treatment technologies to address community health and water quality concerns, especially around emerging contaminants (e.g., PFAS).
- **Wastewater surveillance for COVID-19 and other viruses.** Wastewater has a long track record of providing leading indicators for various pathogens. Congress should quickly establish a national program for wastewater monitoring for COVID-

19 and other viruses and expand funding, authority, and coordination for the relevant federal agencies that standardize testing and support wastewater utilities and laboratory capacity. Such a program would help ensure the health of our communities and reopen the economy.

- **Workforce development.** Congress should build on the authorization contained in the BIF and the current EPA campaign and coordinate with the Department of Labor and other agencies in creating a workforce development program to help American workers obtain the skills and credentials needed to support the operation, maintenance, and improvement of the water and wastewater systems of tomorrow. Congress should enact policies that simplify the award and intrastate recognition (e.g., reciprocity and portability) of water operator and engineering certifications.

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