



Executive Director, Michael Deane

January 28, 2010

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
Washington, DC 20510

The Honorable Daniel Inouye
Senate Appropriations Committee
Washington, DC 20510

The Honorable Thad Cochran
Senate Appropriations Committee
Washington, DC 20510

The Honorable Max Baucus
Senate Finance Committee
Washington, DC 20510

The Honorable Charles Grassley
Senate Finance Committee
Washington, DC 20510

Dear Senators:

During the Jobs Summit in December, President Obama stressed the importance of leveraging private sector dollars "now sitting on the sidelines" to invest in new infrastructure projects and create much-needed jobs throughout the country. The National Association of Water Companies (NAWC) supports H.R. 537 which would help to leverage these funds for water infrastructure investment and job creation. The NAWC also continues to support the State Revolving Loan Funds which provide an excellent supplement to local water infrastructure investment.

The National Association of Water Companies represents all aspects of the private water service industry. The range of our members' business includes ownership of regulated drinking water and wastewater utilities and the many forms of public-private partnerships and management contract arrangements.

As you consider legislation to promote job growth we encourage you to consider these issues.

- **Tax Exempt Financing: Increasing tax-exempt bonding authority for states and municipalities through a private activity bond cap removal H.R. 537**

H.R. 537 would create jobs by leveraging private sector dollars to support our most essential needs: water and wastewater. By removing federal funding restrictions on tax-exempt bonds for water and wastewater projects at least \$2 billion worth of investment in water can be undertaken in 2010, supporting 57,000 jobs. As the market matures in the years to follow estimates show that volume could increase to \$5-6 billion annually, supporting from 142,500 – 171,000 jobs. Tax-exempt bonding authority is one of the surest and swiftest forms of federal assistance to water projects. A bond issuance only requires a willing issuer – no time consuming applications. The entire process, approval to sale, would take approximately 90-120 days for a ready-to-go project. The proposal has been introduced in the House by Cong. Pascrell (D-NJ) as H.R. 537.

- **State Revolving Loan Funds: Support Senator Cardin and Senator Whitehouse’s call to provide funding to the State Revolving Loan Funds through the existing programs.**

NAWC supports the use of the Clean Water and Drinking Water State Revolving Loan Funds but has been troubled by the recent appropriations changes to this successful and sustainable loan program which mandates at least 50% of the funds to be given in the form of grants. NAWC believes that any direct utility subsidies should be made in the form of low-interest loans or tax incentives and not grants. With limited resources and diffuse needs, States should be allowed and encouraged to leverage these Federal resources to the best of their ability by providing loans to as broad of a constituency as possible.

NAWC continues to support a reauthorization of the Clean Water State Revolving Loan Fund that would enable private water service providers to extend much-needed wastewater solutions and service to under-served communities and non-compliant systems.

In addition to directly putting people to work, investments in water infrastructure stimulate other economic activity. Water projects depend on pipe, fittings, cement, aggregates, and other products. The U.S. Conference of Mayors estimates that every job created in rebuilding our water systems creates nearly 3.7 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.

Thank you for your attention and consideration of these issues. Please contact me at 202-833-8383 or michael@nawc.com if I can be of any assistance.

Sincerely,

A handwritten signature in blue ink that reads "Michael Deane". The signature is written in a cursive, flowing style.

Michael Deane, Executive Director