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## UQ

#### The US spends 32 billion on water

Frelinghuysen, committee on appropriations, 2012 (Sen. Frelinghuysen, May 2 2012, <http://www.circleofblue.org/waternews/wp-content/uploads/2012/06/Appropriations\_FY2013-budget-report\_water-and-energy.pdf>, "Energy and Water Development Appropriations", RR)

The Energy and Water Development Appropriations bill for fiscal year 2013 totals $32,097,500,000, $87,500,000 more than the amount appropriated in fiscal year 2012 and $964,955,000 below the President’s budget request. Total security funding is $11,275,000,000, $275,000,000 more than the amount appropriated in fiscal year 2012 and $260,886,000 below the budget request. Total non-security funding is $20,822,500,000, $187,500,000 below the amount appropriated in fiscal year 2012 and $704,069,000 below the budget request. The Committee notes that significant unobligated balances rescinded in fiscal year 2012 are unavailable in fiscal year 2013, making annual comparisons difficult. Adjusting for rescissions, the bill provides a non-emergency program level of $32,278,667,000 for fiscal year 2013, $622,542,000 below the amount appropriated in fiscal year 2012 and $1,150,455,000 below the budget request.

### No More Cuts

#### Democrats refuse to undercut water funding

Grayson 4/12 (Partner in environmental law firm, E. Lyn Grayson, MS)

Seven national water and wastewater associations asked House and Senate members to oppose cuts to the FY 13 appropriations for the Drinking Water and Clean Water State Revolving Funds (SRFs) requested by the Obama Administration. The White House budget proposed $359M in reductions next year but even more efforts to further reduce this funding are anticipated. The seven water agencies include: National Association of Clean Water Agencies, Association of Metropolitan Water Agencies, American Water Works Association, Association of State Drinking Water Administrators, Association of Clean Water Administrators, Water Environment Federation and American Public Works Association. Financial assistance is needed now by wastewater treatment and drinking water providers to update water-related infrastructure. The necessary capital improvements are required to address climate change consequences including both an onslaught of water or an acute shortage. Pat Mulroy, general manager of the Las Vegas Valley Water District, testified at a Congressional hearing on March 20th that "... the consequences of climate change are happening now in Las Vegas." He addressed the investments required to construct extra intakes to deal with lower water levels in Lake Mead. A 2009 study by CH2MHill commissioned by the Association of Metropolitan Water Agencies and the National Association of Clean Water Agencies concluded that the collective costs for utilities to manage climate change impacts could be as high as $448B to $944B by 2050. According to CH2MHill, EPA estimates that $500B is needed to upgrade and maintain existing infrastructure.

#### **Even deficit-sensitive Republicans are against more cuts to Water State Revolving Funds (SRF’s)**

Pipeline & Gas Journal, ’12 (04/12, ProQuest, “Obama Proposed Fiscal 2013 Budget Has Ups and Downs,” AM)

But even the most deficit sensitive Republicans are complaining about the Obama administration's second, straight proposed annual reduction in SRF funding. "Given the incredible need, the incredible benefits from investment, I was extremely disappointed to see that EPA's FY 13 Budget requested a decrease in funding for the Drinking Water and Clean Water State Revolving Fund programs for the second year in a row," says Sen. James Inhofe (R-OK). "Every federal dollar that EPA directs away from addressing the primary goal of the SRF programs reduces the capacity of a state to leverage federal funding and address infrastructure needs."

## Funding Key

#### The Federal Government needs to spend $1 trillion over the next 25 years just to maintain our water infrastructure

The American City & County, 4/17 (4/17/12, ProQuest, The American City & County, “$1 trillion needed for water infrastructure,” AM)

Over the next 25 years, U.S. communities face the need to spend $1 trillion to repair, maintain and build new water infrastructure. That is according to "Buried No Longer: Confronting America's Water Infrastructure Challenge," a report released by the Denver-based American Water Works Association (AWWA) in February. The report helps makes the association's case for the creation of a federal Water Infrastructure Finance and Innovation Authority. Drawing on nationwide data, surveys and historical information, the AWWA report seeks to describe the scope of the work needed to maintain water service and meet demands of a growing population. Water pipes and mains in many communities are well past their useful life and are crumbling and breaking, causing costly outages and emergency repair bills. Other communities are growing and need reliable infrastructure to supply water to homes and businesses. However, ratepayers have become accustomed to very low prices for water and are reluctant to pay directly for water infrastructure improvements, the report states. The report has six key findings: The needs are large and will exceed $1.7 trillion by 2050. Household water bills will go up. There are important regional differences: Growth is a bigger concern in the South and West, and repair is a larger concern in the Northeast and Midwest. There are important differences based on system size. Small communities face bigger cost challenges. The costs keep coming and will not disappear. Postponing investment only makes the problem worse. Water main breaks are more likely to occur on older pipes. AWWA says that communities must invest more heavily in water infrastructure repair and maintenance to meet those demands, and they need more access to low-cost financing options to do so. AWWA advocates for the creation of a federal Water Infrastructure Finance and Innovation Authority (WIFIA), modeled after the Transportation Infrastructure Finance and Innovation Act (TIFIA), which would access U.S. Treasury funds to provide low-interest loans, loan guarantees or other credit support to water projects.

## Fed Key

#### While construction is regional, water infrastructure financing is a federal responsibility

Barkin, Department of Anesthesiology at Rush University, 4/17 (Robert, 4/17/12, The American City & County, ProQuest, “Financing long-term water infrastructure needs remains a fluid situation,” AM)

Arndt noted that while the nature of water infrastructure construction is regional, the financing issues are national in nature, which is prompting the effort to create the WIFIA. "We're not asking the government to take on the obligations for cost," he says. "Ultimately, the costs must be repaid by the users, through the system and the rates." The deferral of the repairs and maintenance of water systems has a significant cost in itself, making the case for WIFIA all the more urgent, Arndt says. "If not addressed, the reliability of service will increase costs," he says. "If we don't repair the system, there will be more breakages and more expense. Water quality will suffer. It will undermine the reliability, the high quality and safety of our communities."

## Impact - Laundry List

#### Loss of Funding Detrimental to Public Health, the Environment, and the Economy

**Fangmann, VP Of D&B Engineers and Architects, 2012**. (Steve Fangmann, Executive Vice President of D & B Engineers and Architects, a Long Island-based firm with over 45 years of expertise in environmental engineering and ranked by the Engineering News-Record as one of the "Top 200 Environmental Design Firms." Deputy Commissioner for the Nassau County Department of Public Works, responsible for the overall water and wastewater management of the Department, Planned Nassau's Sole Source Aquifer System, 2/28/2012, LexisNexis, ESW)

And remarkably, most experts believe that this assessment of our nation's pending clean water infrastructure needs is probably low. Similar needs studies for drinking water infrastructure improvements show the same escalating demands. Failure to address this infrastructure funding crisis has real and significant implications for public health, the environment and the long-term economic success of our nation. Water and wastewater treatment improvements that begun in the first part of the 20th Century stand today as the greatest public health measures that our nation has implemented. Cholera, dysentery, and hepatitis A and B have been nearly eliminated in our nation. We have only to look abroad to see the importance of our nation's water infrastructure - waterborne pathogens still kill millions of people each year around the globe. America's success economically has been inextricably tied to our nation's rich endowment of clean water. Clean water-dependent industries such as agriculture, commercial fishing, and tourism contribute hundreds of billions of dollars annually to our economy. We simply cannot afford to postpone the critically- needed investments in our nation's water infrastructure. Innovative Finance - 'Tools in the Toolbox" When it comes to closing a $400 billion shortfall in water infrastructure funding, there are no "silver bullets." It will take innovation and increased funding at all levels of government to effectively address America's water infrastructure funding needs. WIN and ACEC believe the analogy of a "Toolbox" is an appropriate metaphor for the paradigm shift that we must undergo. The water infrastructure financing challenges we face have been a century in the making and it will take all of the best ideas that have been presented to the subcommittee today as well as many that have yet to be developed to meet this challenge. For today's hearing, we would like to focus on just four proposals of the many that have been discussed this year and in previous Congresses. The development of a "TIFIA" Program for water infrastructure as championed by Chairman Gibbs and the innovative finance tools in the "Water Quality Protection and Job Creation Act" as introduced by Congressman Bishop all must be tools in the toolbox. In addition, we commend Chairman Gibbs for including HR1802, the "Sustainable Water Infrastructure Investment Act," in his draft water infrastructure finance bill. The legislation enjoys strong bi-partisan support. It provides an exemption from private activity bond state volume caps for all water and wastewater projects. We also support reauthorizing the State Revolving Funds for water and wastewater projects, and encourage the Subcommittee to consider the numerous efficiencies and flexibilities in the Clean Water Act revisions to the SRF program that the House has passed twice in recent years. A TIFIA Program for Water Infrastructure WIN and ACEC believe that the development of a TIFIA-like program for water infrastructure makes eminent sense and we are pleased that water infrastructure funding legislation being advanced by Chairman Gibbs and Congressman Bishop has embraced this financing concept. Many members of WIN, including ACEC, the Associated General Contractors of America and the American Society of Civil Engineers have worked first-hand on the implementation of the TIFIA program in the financing of highway projects and believe that this program is even better suited for financing water infrastructure projects. Since FY 2005, TIFIA has leveraged $122 million in annual funding into $2.2 billion in annual funding for transportation projects. Unlike highway construction projects, financing water projects with a TIFIA-like program would not be contingent on establishing a new toll or fee. Water and wastewater treatment and collection systems already impose usage rates and charge fees to their customers.

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## Non-UQ

#### Non-UQ – Water Infrastructure Cut Now

**Fangmann, VP Of D&B Engineers and Architects, 2012**. (Steve Fangmann, Executive Vice President of D & B Engineers and Architects, a Long Island-based firm with over 45 years of expertise in environmental engineering and ranked by the Engineering News-Record as one of the "Top 200 Environmental Design Firms." Deputy Commissioner for the Nassau County Department of Public Works, responsible for the overall water and wastewater management of the Department, Planned Nassau's Sole Source Aquifer System, 2/28/2012, LexisNexis, ESW)

the Congress has made dramatic changes to the funding mechanisms for water infrastructure to reflect the fiscal and infrastructure challenges before our nation. Twenty five years ago, this Committee played a lead role in crafting the State Revolving Fund, a measure that has funded thousands of wastewater treatment projects across the nation and established a revolving fund that provides over $5 billion in low interest loans annually for the construction of wastewater infrastructure. Our nation is at a crossroads with respect to how state and local governments, in partnership with the federal government, are going to fund our nation's water infrastructure. Twenty five years ago this Committee set our nation on a new direction with regard to water infrastructure finance and it appears that the Committee is again poised to lead on this critical endeavor. This morning I will briefly discuss the water infrastructure financing challenges before us and provide specific commentary on the innovative water infrastructure funding proposals that the leadership of this Subcommittee has advanced over the past six months. The Water Infrastructure Network and the American Council of Engineering Companies strongly believe that developing a comprehensive "toolbox" of water infrastructure financing options is the most effective and pragmatic approach to narrowing our nation's daunting gap in water infrastructure funding. The Water Infrastructure Funding Challenge The United States is facing a water infrastructure funding crisis. Recent studies conducted by the U.S. Environmental Agency, the Congressional Budget Office and the Water Infrastructure Network have all placed the shortfall in clean water infrastructure funding at over $400 B during the next two decades.