

Statement of
Stephen E. Sandherr
on behalf of
The Associated General Contractors of America
Presented to the
Subcommittee on
Water Resources and Environment
For a hearing on
The Need for Renewed Investment for
Clean Water Infrastructure

January 19, 2007



Building Your Quality of Life

The Associated General Contractors of America (AGC) is the largest and oldest national construction trade association in the United States. AGC represents more than 32,000 firms, including 7,000 of America's leading general contractors, and over 12,000 specialty-contracting firms. Over 13,000 service providers and suppliers are associated with AGC through a nationwide network of chapters. AGC contractors are engaged in the construction of the nation's commercial buildings, shopping centers, factories, warehouses, highways, bridges, tunnels, airports, waterworks facilities, waste treatment facilities, dams, water conservation projects, defense facilities, multi-family housing projects, site preparation/utilities installation for housing development, and more.

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STATEMENT
STEPHEN E. SANDHERR
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
JANUARY 19, 2007

On behalf of the Associated General Contractors of America (AGC), I want to express how pleased we are that the subcommittee has chosen to examine the need for increased investment this early in the 110th Congress. We hope that the subcommittee recognizes not only the need for an immediate boost in funds for the Clean Water State Revolving Loan Fund (SRF) program but also the wisdom behind establishing a sustainable source of funding for clean water infrastructure much like the Highway and Aviation Trust Funds.

AGC, along with our coalition partners in the Water Infrastructure Network (WIN), believe that a drastic need exists for investment in clean water infrastructure. The U.S. Environmental Protection Agency (EPA), the Government Accountability Office (GAO), and the Water Infrastructure Network (WIN) report a funding gap of \$300 billion to \$500 billion over 20 years between what is needed and what is actually spent on our clean water infrastructure.

Since 2004, funding for the Clean Water SRF program has fallen from \$1.35 billion in 2004 to less than \$700 million proposed for 2007. A dedicated source of federal funding must be identified to assure adequate and continued financial assistance to municipalities to meet the goals of the federal water quality program.

These recent funding cuts have served to undermine state and local communities efforts to address their water infrastructure needs. The lack of funding for water and wastewater infrastructure threatens our environment and the economic well-being of our nation. *Increased* funding is sorely needed to eliminate the gap between available funds and the demonstrated need for these critical infrastructure programs. By failing to restore and increase funding, we would be rolling back gains made since the Clean Water Act was passed in 1972.

Simply stated, the current lack of federal commitment to fund water and wastewater infrastructure threatens the integrity of our environment and the economic well-being of our nation.

To address this critical need, we recommend the following approach:

Support a New Clean Water Funding Bill: Support an immediate increased authorization level for the Clean Water State Revolving Loan Fund program.

Include Language to Identify a Long-term Funding Source: A new bill should include language that would assist Congress in quickly identifying a dedicated source(s) of revenue to ensure the availability of appropriations to fund clean water needs. In a recent poll the American people, an overwhelming majority—86 percent—support legislation by the U.S. Congress that would create a long-term, sustainable, and reliable trust fund for clean and safe water infrastructure.

Prevailing Wage Language: In order to facilitate discussion, AGC has not taken a position on prevailing wage requirements, but would support legislation even if it included prevailing wage provisions.

The Clean Water and Drinking Water SRF programs have provided a perpetual source of funding to build and improve our nation's vital water infrastructure while creating jobs and building revitalized communities. SRF projects at this level would create thousands of American jobs, and there is at least \$7 billion in wastewater infrastructure projects that could begin immediately if the funding were available.

Again, thank you for the opportunity to comment on this important issue. I look forward to working with the subcommittee to enact meaningful legislation to address this critical public health issue.

Thank you.