

Opening Statement to the House Water Resources and Environment Subcommittee
Hearing, “Water Infrastructure Financing: WIFIA and the Clean Water State Revolving Fund”

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and National Utility Contractors Association

Chairman, Ranking Member, and distinguished members of the House Transportation and Infrastructure Committee, thank you for inviting me here today to discuss the state of America’s water infrastructure and the indispensable role of the American utility construction industry in sustaining it.

My name is Dan Buckley, and I am honored to address you as a lifelong professional in this field, a former Chairman of the National Utility Contractors Association (NUCA), and as a representative of an industry that serves as the backbone of our nation’s prosperity and public health.

What we do—building and maintaining the water and wastewater systems that keep civilization running—is often out of sight and out of mind, buried beneath the earth. But without us, the faucets would run dry, the sewers would fail, and the foundation of American life as we know it would crumble.

The American Utility Construction Industry: Who We Are

The American utility construction industry is a vast, diverse network of skilled workers, engineers, small business owners, and large firms united by a singular mission: to deliver clean water to every home, school, hospital, and business, and to ensure that wastewater is safely removed and treated.

We are the hands that dig the trenches, lay the pipes, and repair the systems that have been the unsung heroes of modern American civilization for over a century. Our workforce spans every corner of this country—urban centers, rural communities, and everything in between—employing almost half-a-million people and contributing billions of dollars to the U.S. economy. Many of our contractors are small businesses, family-owned operations that take pride in their craft and their communities.

Our philosophical outlook is simple yet profound: without the infrastructure we build and maintain, civilization as we know it would not exist. Businesses cannot operate without reliable

clean water. Hospitals cannot save lives without clean, sanitary conditions. Schools cannot educate our children if their plumbing fails. Homes become unlivable without the basic dignity of running water and functioning sewers.

Much of our work lies hidden underground. And once the water flows and the faucets turn on, our efforts are quickly forgotten. But their importance never diminishes. Maybe more attention would be given to our Leaking sewer and water systems if they were 12 feet above ground, and you had to pass under them on Independence Ave on your way to a Vote at the Capitol. Instead, they are leaking into our environment, sight unseen.

Our Reliance on the State Revolving Fund System

The projects we undertake—installing water mains, upgrading treatment plants, replacing aging sewer lines—are not small endeavors. They often cost millions of dollars and require significant coordination with local, state, and federal partners. For decades, the primary engine driving these projects has been the EPA’s State Revolving Fund (SRF) system, a Federal government funded program that provides low-interest loans and grants to States and municipalities for water infrastructure improvements.

The SRF system traces its origins to the Clean Water Act of 1972 and the Safe Drinking Water Act of 1996, when Congress recognized that clean water and sanitary wastewater systems were national priorities too vast for local governments to tackle alone. The Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF) were established to provide sustainable funding mechanisms, allowing states to borrow, build, and repay over time. It’s a system that has worked remarkably well in channeling federal support into local projects, enabling our industry to keep America’s water systems operational. But the SRF’s largest fault remains the lack of resources provided each fiscal year. Given the enormous scope of the repairs and upgrades our current water infrastructure demands, not enough makes it into appropriation discussions or into final law.

WIFIA – A New Tool to Fund Water Infrastructure

The Water Infrastructure Finance and Innovation Act of 2014 established the WIFIA program - another tool that has helped meet America’s water infrastructure needs. WIFIA’s broader eligibility requirements have helped expand access to financing for communities across the country, and we call on Congress to build on the program’s successes by reauthorizing WIFIA and the State Infrastructure Financing Authority WIFIA (SWIFIA) programs alongside the SRFs.

The High Cost of Critical Projects

Projects are expensive, and their high costs are driven by a host of factors. Federal regulations such as the Build America, Buy America Act (BABAA) ensure that materials are sourced

domestically – a laudable goal but one can result in delays and that often increases expenses. Environmental standards and permitting processes, while critical for protecting our ecosystems, can delay projects and add layers of complexity and cost. Business regulations at every level—federal, state, and local—require compliance that demands time and resources. In some areas, labor requirements further elevate costs. These are not complaints, but realities my industry navigates daily to build this vital water infrastructure.

Past Problems with the SRF System

Despite its successes, the SRF system has faced persistent challenges that undermine its ability to meet the nation's growing needs. First and foremost, the resources allocated to the SRF by Congress have never fully matched the scope of the problem. The American Society of Civil Engineers estimates that the U.S. needs to invest \$1 trillion over the next 25 years just to maintain and upgrade our drinking water and wastewater systems. Yet, annual SRF funding has hovered only in the billions—not nearly enough to address the backlog of projects waiting in the queue.

Compounding this issue, Congressional earmarks have sometimes diverted funds away from the SRF's core mission. While earmarks can serve legitimate community needs, they often prioritize politically expedient projects over those identified through rigorous state-led prioritization processes. This fragmentation weakens the system's efficiency and leaves critical repairs unfunded.

In recent years, the SRF has also become a political football, caught up in broader debates about the Environmental Protection Agency (EPA). The last two years of legislative history reflect this tension. Deep cuts to the EPA's budget have been proposed – with the bulk of those cuts coming directly from the SRF programs. Annual funding for the SRFs has remained static for the last seven years – and our nation needs these resources more than ever before.

Let me be clear: the EPA's Office of Water does an exceptional job administering these programs under difficult circumstances. We urge the Administration and Congress to protect and provide more resources to this vital office as broader EPA reforms are considered. At the same time, states need better training and education for grant administrators to streamline the process and ensure funds reach the ground efficiently.

The Present State of America's Water Systems

The urgency of this issue cannot be overstated. America's water infrastructure is in a dire state, plagued by obsolescence and neglect. The EPA estimates America's clean water needs over the next twenty years at more than \$630.1 billion. Combined with drinking water, America's

estimated twenty-year needs are more than \$1.2 trillion. The true number is likely much, much higher. At the **current** pace of investment, we will still fall a trillion dollars short.

The average water main in this country is over 50 years old, far exceeding its intended lifespan. Every hour, leaks and breaks waste an estimated 6 billion gallons of treated drinking water—enough to fill 9,000 Olympic-sized swimming pools each day. That adds up to over two trillion gallons of water per year. Treated potable water goes to waste – and untreated wastewater seeps into the ground, polluting our communities and our environment. In extreme cases, entire communities face crises that shock the conscience.

In Jackson, Mississippi, residents have endured repeated water shutoffs and boil-water notices due to a crumbling system overwhelmed by decades of underinvestment. In Asheville and much of western North Carolina, storm damage wiped out the ability to deliver clean water to citizens for months. In Richmond, Virginia, obsolete electrical infrastructure shut down the city's water treatment plant for several days, causing the city government to scramble to meet basic public health needs. These are not isolated incidents—they are symptoms of a national epidemic. And there will be more of them in the months and years ahead. A recent Congressional study dated September 24, 2024, by the Interstate Commission on the Potomac River Basin stated that if there were one major failure to our Nation's Capitol drinking water source, the economic impact within the first month would exceed \$15 billion dollars in cost.

Clean water, sanitary wastewater, and stormwater systems are not luxuries-- they are the lifeblood of American civilization. Without them, disease spreads, economies falter, communities suffer, and our quality of life erodes.

Solutions to Our Water Infrastructure Crisis

So, what can be done? The solutions are clear, and they begin with a renewed commitment from Congress.

First, we need more federal investment. The scale of this crisis demands it. As Congress debates the future of federal spending, lawmakers should consider reallocating more dollars towards these essential programs. Every dollar invested in water systems yields exponential returns in public health, economic growth, and environmental protection. NUCA estimates that for every billion dollars invested in water infrastructure, over 28,000 jobs are created – jobs that will always remain in the American communities they serve. And fully closing the water infrastructure needs gap, we could add as much as \$4.5 trillion to the national GDP over the next twenty years. Closing that gap starts with fully reauthorizing the SRF programs at or above IJA levels for the next five years, expanding WIFIA funding, and considering other dedicated funding streams to support both programs. Congress must reauthorize the SRF programs in upcoming years, and it must do so in a timely manner.

Second, we must reform the Congressional earmark process for water infrastructure. Earmarks and the SRF can coexist—both have a role to play—but the current system undermines equitable distribution of funds. In the 118th Congress, just over half of the combined SRF appropriations were diverted to drinking water and wastewater project earmarks – leaving 39 states with a net loss of federal water infrastructure funding. A balanced approach would preserve state-led prioritization while allowing targeted investments where they’re most needed. Congressionally-directed spending on water infrastructure should be in addition to SRF funding, rather than undermining this critical program.

Third, we should remove the pay-as-you-go requirement from SRF funding. Treating water infrastructure as a pay-go expense forces it to compete with other discretionary priorities, when in reality, it’s a capital investment with long-term benefits. Exempting it from pay-go would unlock the resources we need without adding to the deficit over time.

Fourth, we must encourage more private investment. Private Activity Bond (PAB) reforms would incentivize private capital to flow into water projects, supplementing public funds and accelerating repairs. By lifting outdated caps and expanding eligibility through new legislation, Congress can harness the power of the private sector to complement the SRF system. T&I utilize PABs without caps in P3s throughout the Nation. Why can’t we lift the cap that is on Water and Wastewater projects like what has been done with Transportation? This gives our Industry additional access to capital Not funded through Congress.

When these infrastructure programs were first created by Congress in the 1980s, the federal share of spending on water construction was about 63 percent. During the 1970s after the passage of the NUCA-supported Clean Water Act of 1972, it sometimes reached as high as 75 percent. Since then, the federal share of total public water infrastructure spending within operations, maintenance, and capital requirements have been reduced by prior Congresses to just 4 percent before IIJA was signed into law. State and local governments take up the vast bulk of this burden, according to Brookings Institution and Bipartisan Policy Center infrastructure studies published in the last 10 years.

These two SRFs and the WIFIA program are fundamentally important to the American people and our good health. Water infrastructure repairs and upgrades are something we cannot afford to ignore forever. So much of current SRF funding acts as a bandage, fixing issues only when they reach a crisis level. The longer we delay repairs, the higher the total bill becomes when those repairs are finally initiated. When water mains break, they must be immediately repaired to maintain public health standards and critical public resources. Constituents immediately let lawmakers know when their city or county water and sewer systems aren’t functioning. And ask any contractor how much more emergency repairs cost than carefully planning a project with months for its completion.

Conclusion: A Call to Action

In closing, let me say this: clean water should be a right of every American. It is a public health imperative, a moral obligation, and an economic necessity. The utility construction industry stands ready to do the work—to dig the trenches, replace the pipes, and rebuild the systems that sustain our nation. But we cannot do it alone. We need your partnership, your leadership, and your resolve.

We welcome the opportunity to work with this Committee, as well as other committees in Congress, to address this critical need. Together, we can ensure that no community is left to fend for itself, no American child drinks from a tainted tap, and that the infrastructure buried beneath our feet remains the strong, silent foundation of our shared future.

Clean water is the bedrock of human existence and a foundation for sustaining modern civilization. A highly developed country like the United States cannot neglect its water infrastructure. And with your help, Mr. Chairman, we won't.

Thank you, and I look forward to your questions.