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SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

U.S. HOUSE OF REPRESENTATIVES

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Thank you Chairman Napolitano, Ranking Member Rouzer, and members of the Committee for inviting me to testify before you today. My name is David Mallino and I am here of behalf of the Laborers' International Union of North America, LIUNA.

LIUNA members are engaged daily in efforts to build and maintain our Nation's vital physical infrastructure, the things that most Americans use so often that we do not pay any attention to them until something fails . . . a bridge, a tunnel, the electricity grid, water systems. This subcommittee and the full Transportation and Infrastructure Committee are job creators for the plurality, if not the majority, of our union's members. Many of the programs under your jurisdiction provide family sustaining work for LIUNA members who are actually building the infrastructure systems that make our daily lives possible and keep the wheels of commerce moving.

The topic of today's hearing: "Building Back Better: The Urgent Need for Investment in America's Wastewater Infrastructure" is both timely and important. Our friends at the American Society of Civil Engineers have most recently given the Nation's wastewater infrastructure a grade of D+ . . . which is woefully inadequate and something that Congress should urgently address. Properly constructed and maintained wastewater treatment systems are the most basic and critical infrastructure systems for protecting public health and the environment.

The Need

An estimated 10 trillion gallons of untreated runoff flows into America's streams and rivers annually, and combined sewage overflows discharge 850 billion tons of raw sewage and storm runoff into nearby bodies of water each year. Additionally, it is projected that more than 56 million new users will be connected to centralized treatment systems over the next two decades. According to EPA's most recent needs survey, which was released nearly 10 years ago, communities have documented at least \$271 billion of investment over the next 20 years to bring their systems to a state of good repair. I imagine the current need is likely higher.

Communities face growing challenges in managing the water resources necessary to support growing and shifting populations coupled with complex affordability challenges. Some are forced to contend with diminishing rate bases, while others contend with growing populations, often with consumers unable to afford the rising costs of clean water. Drought, floods, and pollution contamination require the creation of multi-benefit projects such as water recycling, storm-water management, and groundwater replenishment.

Nationwide, water utilities and communities of all sizes seek to ensure clean, safe, accessible, and affordable water, all the while dealing with the challenges of extreme weather events and mounting concerns regarding water quality and quantity. Existing infrastructure is aging and critical failures are increasing at a rapid rate and desperately needed repair and replacement and

wastewater infrastructure must also become more resilient to the impacts of climate change, including sea level rise, stronger and more frequent storms, and flooding.

Communities across our nation now face the daunting challenge of replacing thousands of miles of water and wastewater pipes that pose growing threats to public health and the environment. Much of our nation's water infrastructure piping was put in the ground over 50 years ago and many communities have failing pipes that are over 100 years old. As we look to make historic investments in our nation's water infrastructure, we should consider providing additional funding dedicated specifically to the replacement of failing wastewater and drinking water pipes.

As a result of the Covid-19 pandemic, many households and communities across the nation are under financial strain. Accordingly, wastewater utilities are facing a decrease in revenue. While there is state and local relief contained in the current Covid relief package being considered by Congress, LIUNA supports increasing the authorization levels as a part of the Water Quality Protection and Job Creation Act as a means to help insure a stable funding source, particularly for wastewater infrastructure needs.

There are also additional costs to communities to come into compliance with the Clean Water Act. In a 2017 report, the National Academy of Public Administration examined the challenges local communities face in providing affordable water and wastewater services. This report concluded that the governmental responsibility to assure clean water that is also affordable to both communities and individuals has become an increasing challenge.

It is an unfortunate fact that America's infrastructure needs disproportionately impact economically disadvantaged communities across the country. While the majority of people living in the United States have access to high-quality drinking water and wastewater services, more than two million do not have access to adequate drinking water and sanitation. According

to the Indian Health Service, whose workers LIUNA proudly represents, sanitation deficiencies on tribal lands include more than 1,800 projects with a total estimated cost of \$2.78 billion.

Federal legislative action is urgently needed.

Last Congress, the Transportation and Infrastructure Committee unanimously reported H.R. 1497 – the Water Quality Protection and Job Creation Act of 2019, which sought to authorize Federal appropriations for major Clean Water Act infrastructure programs administered by the U.S. Environmental Protection Agency (EPA), including the Clean Water State Revolving Fund (SRF). The fund is the primary source of Federal support for wastewater infrastructure, and was last reauthorized by Congress in 1987, and its authorization expired in 1994. The CWA SRF has proven to be one of the most effective environmental infrastructure funding tools in our Nation’s history. Thousands of wastewater treatment facilities and storm water management projects have been constructed with SRF dollars over the past 30 years, contributing directly to improved water quality in lakes, rivers and estuaries across the nation. However, these critical water quality improvements will be lost if we fail to make needed investments in America’s wastewater and storm water infrastructure.

Despite widespread support, the authorization levels for the Clean Water SRF have not been adjusted since their enactment over 30 years ago. Congress must renew the Federal commitment to clean water infrastructure and set authorization levels at the appropriate level to address the documented project backlog and provide funds for critical resiliency upgrades and other future needs. Legislation being considered now should build on that bipartisan effort and increase the Authorization levels for the Clean Water SRF.

LIUNA and our partners in the Water Infrastructure Network (WIN), an organization that includes other unions, contractors, elected officials, drinking water and wastewater service providers and engineers, are pleased to continue our support for the current effort.

Through our partnership with WIN, LIUNA and our allies have worked collaboratively to try and address the Nation's critical water infrastructure deficit, including important investments to meet local community's wastewater need. We commend the committee's bipartisanship on these issues, and we support increasing the authorization levels to support adequate investment into wastewater infrastructure. The need is there . . . the workforce is available . . . and the benefits unquestionable.

Water infrastructure investments have interrelated benefits that are so broadly shared that failure to make them is unreasonable . . . bordering on absurd: direct job creation for LIUNA members and others, indirect job creation that results from those workers having money in their pockets, improved public safety, and improved environmental health, which in itself creates another stream of job-creation and economic benefits.

Few if any federal investments have such a beneficial impact on the American people that it is incomprehensible we delay making them.

Job Creation and economic activity

Investing in clean water creates thousands of domestic jobs in the construction industry and has additional induced economic benefits. According to US Department of Commerce's Bureau of Economic Analysis (BEA) estimates, for every dollar spent on water infrastructure, approximately \$2.62 is generated in the private economy, and for every job added in the water workforce, the BEA estimates 3.68 jobs are added to the national economy. Estimates can vary a bit, but it is projected that every \$1 billion invested in our Nation's water infrastructure creates or sustains over 20,000 jobs in communities across America while improving public health and the environment at the same time.

Wastewater infrastructure improvements also support healthy economies. Construction projects create good-paying jobs, and, where new facilities are built, workers are needed to operate and

maintain them. Upgraded infrastructure results in cleaner water, which is essential for many businesses and sectors of the economy.

Clean water infrastructure helps prevent contamination of our Nation's waters that are relied upon by the recreational industry. People spend approximately \$70 billion per year on recreational boating and fishing; that industry employs more than 150,000 people.

By including domestic and local sourcing of labor and materials requirements, Congress can spread the benefit of these investments across wider segments of the economy and help local communities reap even greater economic benefits. Utilization of project labor agreements (PLAs), community benefit agreements, local hire, and other provisions and practices that prioritize improving training, working conditions, and project benefits, including respect for collective bargaining agreements and workers' organizing rights, will help ensure that the jobs created provide good wages and benefits. This will also enhance workforce training and development programs to expand the number of skilled workers in disadvantaged populations.

Conclusion

It is time for Congress to renew the Federal commitment to invest in our Nation's wastewater infrastructure and, in doing so, ensure that affordable assistance is available to all communities, regardless of location, demographics, or economic situation. Investing in our Nation's wastewater and storm water infrastructure makes eminent near-term and long-term economic sense.

LIUNA stands fully committed to working with the bipartisan leadership of the Transportation and Infrastructure Committee to enact the Water Quality Protection and Job Creation Act as soon as possible.

