

April 2020

MEMORANDUM

RE: Water Resources Development Act (WRDA) of 2020

Summary

Our nation's water resources systems are crucial to our economy, public safety, and the preservation and enhancement of our environmental resources. Our levees, dams, inland waterways, and ports protect hundreds of communities, support millions of American jobs, and generate trillions of dollars of economic activity. However, many of these infrastructure assets have reached the end of their design life, and the investment gap must be closed if we hope to both repair and modernize our water resources systems to be competitive in the 21st century.

Ideally, every two years, Congress passes the Water Resources Development Act (WRDA); WRDA bills are drafted and debated in the [House Committee on Transportation and Infrastructure](#) and in the [Senate Committee on Environment and Public Works](#). Recently, Congress has kept to the biennium schedule with WRDA legislation enacted in 2014, 2016, and 2018.

The [Senate Environment & Public Works Committee](#) has released a draft of their bipartisan WRDA 2020 bill, entitled [America's Water Infrastructure Act \(AWIA\) of 2020](#). The bill authorizes \$17 billion in infrastructure projects and reauthorizes the EPA's Clean Water State Revolving Fund at increasing levels over the next three years. The Committee also released a draft of the [Drinking Water Act of 2020](#), which includes \$2.5 billion in federal authorizations and reauthorizes programs under the Safe Drinking Water Act (SDWA) to provide resources and technical assistance to communities to help meet their drinking needs. Consideration of both bills in the full Senate is unclear at this time, while the House Transportation and Infrastructure Committee is still developing their own WRDA bill.

Highlights include:

- Reauthorization of the Clean Water State Revolving Fund program;
- Creation of a new EPA grant program to assist publicly owned treatment facilities that serve less than 10,000 people;
- Creation of a lead mapping pilot program for utilities that know, or are likely to have, at least 30% of service lines that contain lead;
- Creation of a grant program for research on new and emerging stormwater control technology;
- Allocation of an additional \$300 million a year in grants for the Drinking Water State Revolving Fund program to help remediate emerging contaminants such as PFAS; and
- Modernization of the cost-share change to the Inland Waterways Trust Fund.

Background: Water Resources, Drinking Water, and Wastewater Infrastructure

Dams & Levees

Our nation's 91,468 dams and 30,000 miles of levees are critical components of risk reduction and protect communities, critical infrastructure, and trillions of dollars in property. However, ASCE's *2017 Infrastructure Report Card* estimated that \$80 billion is needed in the next 10 years to maintain and improve the nation's levees, while [the Association of State Dam Safety Officials estimates](#) the cost of rehabilitating our nation's federal and non-federal dams to exceed \$70 billion. Included in this is the U.S. Army Corps of Engineers' (USACE) estimate that more than \$21 billion will be required to address dam deficiencies for Corps-owned dams; at the current rate of investment, these repairs would take over 50 years to complete. As such, ASCE's *2017 Infrastructure Report Card* gave our nation's [dams](#) and [levees](#) each a grade of "D."

Investment is needed to rehabilitate deficient dams and to complete the national inventory of levees outside of the USACE's authority. [ASCE supported the 2018 America's Water Infrastructure Act's](#) reauthorization of the National Dam Safety Program and the National Levee Safety Program through Fiscal Year 2023. However, both these programs are consistently appropriated at levels far short of their authorized levels. The National Dam Safety Program historically receives only a portion of its annual \$13.9 million appropriations, while the High Hazard Potential Dam Rehabilitation Program received only \$10 million of its [\\$25 million authorization in FY19](#) and \$10 million of its authorized \$40 million in FY20. Likewise, the Water Resources & Reform Development Act of 2014 created a new National Levee Safety Program to promote consistent safety standards, create levee safety guidelines, and provide funding assistance to states for establishing participating levee safety programs, and [while it received \\$15 million in FY20](#) – triple the amount of funding it had ever received – it is still receiving less than its full \$79 million authorization.

Ports

To remain competitive in the global market and to accommodate larger vessels, the nation's nearly 1,000 ports have been investing in their facilities and plan to spend over \$154 billion from 2016 to 2020 on expansion, modernization, and repair. However, for years, much of the revenue going into the Harbor Maintenance Trust Fund (HMTF) was used for general deficit offsets instead of its intended purpose of dredging our nation's harbors and ports. Underinvestment in our nation's ports has resulted in a 25 percent decrease in port productivity in the past ten years. ASCE's *2017 Infrastructure Report Card* gave our nation's [ports](#) infrastructure a grade of "C+."

[ASCE was pleased](#) that the recent coronavirus economic stimulus package, the [CARES Act](#), included a provision that unlocks the HMTF, a long-time ASCE priority. This ensures all future annual receipts and interests into the HMTF – an expected \$24.5 billion over the next decade – are used for its intended purpose. It does not, however, allow for Congress to retroactively spend from the fund's current \$9.3 billion balance. It is expected to take five years of complete HMTF funding to dredge and restore channel depths and widths. ASCE urges Congress to ensure this provision's full implementation.

Inland Waterways

The USACE operates and maintains an aging and vast network of 25,000 miles of inland waterways and 239 locks. ASCE's 2016 economic study found that from 2026 through 2040, the average annual investment gap for waterside improvements, including dredging and lock and dam repair, is expected to be \$1.9 billion, which will result in an economic loss of \$2.8 trillion of GDP and 1.2 million fewer jobs in

2040 than would otherwise be expected with modernized water resources systems in place. ASCE's 2017 *Infrastructure Report Card* gave our nation's [inland waterways](#) a grade of "D."

ASCE supported the 2015 increase of the Inland Waterways Trust Fund user tax, and although recent increases in investment have resulted in some improvement in the projected completion date of many inland waterway lock and dam rehabilitation projects, funding must continue at a higher and more consistent level to meet the large backlog of needs.

ASCE also championed Section 5014 of WRRDA 2014, which authorizes the USACE to enter agreements with non-federal interests, including private entities, to finance construction of at least 15 authorized water resources development projects. Alternative financing and delivery mechanisms are an important new resourcing tool that can help the USACE meet the growing needs of our nation's inland waterways infrastructure.

ASCE was pleased that WRRDA 2014 authorized a new water infrastructure financing mechanism, the Water Infrastructure Finance and Innovation Act (WIFIA), to be administered by the USACE and the U.S. Environmental Protection Agency (EPA). The WIFIA concept is modeled after a similar transportation project assistance program, the wildly successful Transportation Infrastructure Finance and Innovation Act (TIFIA). Under this program, the USACE is authorized to provide WIFIA support for an array of projects, including environmental damage reduction projects, hurricane and storm damage reduction projects, flood damage reduction projects, coastal or inland harbor navigation improvement projects, and/or inland and intracoastal waterways navigation projects, while the EPA's WIFIA program provides financing for wastewater, drinking water, and stormwater infrastructure projects.

Clean Water and Drinking Water Infrastructure Systems

Despite increased efficiency methods and sustainable practices, there is a growing gap between the capital needed to maintain drinking water and wastewater infrastructure and the actual investments made. The EPA estimates that over the course of the next 20 years, \$271 billion will be needed for wastewater infrastructure. While, the American Water Works Association estimates \$1 trillion will be needed to maintain and expand drinking water service demands during the next 25 years. ASCE's 2017 *Infrastructure Report Card* gave the nation's [drinking water](#) infrastructure a grade of "D," and the nation's [wastewater](#) infrastructure did not fare much better with a grade of "D+."

America's Water Infrastructure Act of 2020 and the Drinking Water Infrastructure Act of 2020

Clean Water State Revolving Fund (CWSRF) Program Reauthorization

The America's Water Infrastructure Act of 2020 reauthorizes the CWSRF program at increasing levels for the next three years, reaching \$3 billion in Fiscal Year 2024. The CWSRF received \$1.6 billion in FY20 and \$1.3 billion in FY19. Created in 1987, the CWSRF provides low-interest loans for wastewater and stormwater projects. States, in turn, must provide a 20% match, and each state is able to make funding decisions based on its unique environmental and economic priorities. The repayment of the loan's principal and interest earnings are then recycled back into the individual state CWSRF program to fund new projects, allowing the fund to "revolve" at the state level over time. Since its inception, the CWSRF has provided \$45.2 billion to all 50 states, DC, and Puerto Rico.

ASCE Position: ASCE is pleased to see that this bill reauthorizes the program for the first time in 30 years. Reauthorization of this successful program has been one of ASCE's top legislative priorities; however, this

proposed reauthorization is not nearly as robust as the \$14 billion reauthorization included in [H.R. 1497](#), the Water Quality Protection & Job Creation Act, which passed the House Committee on Transportation & Infrastructure last year and which [ASCE supports](#).

Water Infrastructure Finance and Innovation Act (WIFIA) Program Reauthorization

The America's Water Infrastructure Act of 2020 reauthorizes the EPA's WIFIA program at \$50 million per year through FY24.

ASCE Position: [While the EPA portion of the WIFIA program](#) has been implemented with much success, the USACE portion of the program has yet to receive any funding in the appropriations process. While we applaud the reauthorization of the EPA's WIFIA program, we urge the Committee to also reauthorize the USACE's WIFIA program and for Congress to fully fund it.

Inland Waterways Trust Fund (IWTF) Cost-Share Change

The America's Water Infrastructure Act of 2020 changes the Inland Waterways Trust Fund (IWTF) current 50% general revenue, 50% IWTF cost-share to 65%-35%. Inland waterways construction and rehabilitation costs, including for locks, are shared by the federal government through general funds and by users through the IWTF. Operation and maintenance costs for inland waterways are covered in full by the federal government. The IWTF is supported by a 29 cents per gallon tax on barge fuel and cannot exceed expenditures in a given year. In April 2015, this user tax was increased by 9 cents for the first time since 1995 upon the urging of the Inland Waterways Users Board, in order to increase investment in the system.

ASCE Position: ASCE supports amending the current IWTF cost-share for construction and rehabilitation projects on our nation's inland waterways systems. Previous WRDA bills have changed the cost-share for certain projects, which allowed for more leveraging of funds and increased project efficiency. This precedent proved that making this cost-share change will encourage faster construction and expedite the completion of inland navigation projects.

Resilience and Innovation

The Senate EPW's America's Water Infrastructure Act of 2020 includes many resilience provisions, including the creation of several programs that promote sustainability and water efficiency. As currently written, the bill creates the Clean Water Infrastructure Resiliency and Sustainability Program that will award grants to publicly owned wastewater treatment plants to increase resilience against natural hazards, including through the use of natural and engineered green infrastructure.

The bill also creates an EPA grant program to assist publicly owned treatment facilities that serve less than 10,000 people with the replacement or repairing of infrastructure that increases water efficiency or energy efficiency, as well as an EPA pilot program to assist 15 publicly owned treatment facilities with projects that improve waste-to-energy systems. The bill also reauthorizes programs that encourage resilience, including the EPA's Sewer Overflow and Stormwater Reuse Municipal Grant Program, which includes a provision that encourages the use of green infrastructure in the management of stormwater overflows, as well as reauthorizing another EPA grant program for the engineering, design, construction, and testing of alternative water source projects designed to meet critical water supply needs. Finally, the bill creates a grant program for research on new and emerging stormwater control technology.

Meanwhile, the Drinking Water Infrastructure Act of 2020 creates a drinking water system infrastructure resilience and sustainability program for mid-size systems that service populations between 10,000 – 100,000. This program will be used for projects that conserve water, enhance water efficiency, create

desalination facilities, relocate existing vulnerable water systems, enhance water supply, and implement measures to increase resilience due to natural hazards. The bill also creates a grant program of \$10 million a year for small drinking water systems to deploy new or emerging technologies that enhance the affordability and efficiency of drinking water, as well as an operational sustainability program for small public water systems to improve drinking water infrastructure failures through asset management plans.

ASCE Position: As natural hazards become more frequent and severe, resilience measures and green infrastructure investments will save lives and dollars. In fact, the National Institute of Building Sciences (NIBS) found that mitigation funding can save the nation \$6 in future disaster costs for every \$1 spent on hazard mitigation. Therefore, ASCE supports the inclusion of resilience and innovation measures in these bills and has been strongly advocating on behalf of increased federal resilience programs. ASCE has been a [key advocate](#) for of the bipartisan [H.R. 3779](#), the Resiliency Revolving Loan Program and [S. 3418](#), the Safeguarding Tomorrow through Ongoing Risk Mitigation Act, as well as for ASCE codes and standards to be used to provide the framework for building a more resilient infrastructure. ASCE also supports the use of asset management plans, which involves creating a comprehensive infrastructure inventory as a way to improve efficiencies and shore up resilience.

Lead in Drinking Water

The Drinking Water Infrastructure Act of 2020 creates a lead mapping pilot program for utilities that know, or are likely to have, at least 30% of service lines that contain lead. It also extends eligibility for public water systems and eligible nonprofit organizations to receive grants through the existing Voluntary School and Childcare Lead Testing Grant Program.

ASCE Position: ASCE supports the inclusion of these programs that will help utilities address lead in drinking water. Many of our nation's cities contain lead lines, and it is widely recognized that any level of exposure to lead can have detrimental health impacts. Earlier this year, ASCE [submitted public comments](#) to the EPA's proposed Lead & Copper rule, which includes a recommendation that Congress identify new funding streams such as the ones created under the Drinking Water Infrastructure Act of 2020.

Per- and Polyfluoroalkyl Substances (PFAS)

The Drinking Water Infrastructure Act of 2020 includes an additional \$300 million a year in grants for the Drinking Water State Revolving Fund program to help remediate emerging contaminants such as PFAS, which are chemicals found in many household products and can have negative impacts on human health.

ASCE Position: ASCE supports the inclusion of funding to address PFAS in drinking water. The Society [supports](#) continued research on emerging pathogens and pollutants and into improved methods governing the disinfection of drinking water to protect public health from any harmful byproducts. Last year, ASCE [submitted public comments](#) to the EPA's draft interim recommendations to address groundwater contaminated with PFAS.

Further Action

ASCE is pleased that Congress is working towards passage of these critical water resources, wastewater, and drinking water infrastructure bills. The Senate Committee on Environment & Public Works will be accepting feedback on this bipartisan draft legislation through May 1 with the goal of holding a full Committee markup the following week. The House Committee on Transportation & Infrastructure is still accepting infrastructure priorities from Members of Congress, so we expect their legislation to be released later this spring or early summer. There are additional opportunities for investments in these infrastructure systems, including in the [framework](#) released by House Democrats earlier this year, as well

as in a future coronavirus economic stimulus package. ASCE will continue working with both Committees and Congress to ensure key investments are made in our nation's water resources, wastewater, and drinking water infrastructure systems.

For questions, please contact the ASCE Government Relations team.

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