



May 19, 2021

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi and Republican Leader McCarthy:

The undersigned organizations represent the nation's drinking water and wastewater systems and technology manufacturers. Our member agencies and companies carry out the complex work of ensuring that all communities have safe and reliable water, a clean environment, and sustainable economies. We accomplish these missions every day against the backdrop of limited resources, aging infrastructure, and growing climate-related challenges. All of our efforts are possible thanks to the heroic dedication of the 1.7 million hard-working people who manage America's water, stormwater, and wastewater infrastructure.

Our organizations strongly support water infrastructure investments that will create millions of good, well-paying jobs and rebuild our country's infrastructure. However, we are deeply concerned that any new "Buy American" domestic content mandate relating to the use of manufactured products in the water and wastewater sector would imperil the balancing act we face every day to deliver reliable public health services with scarce resources. In particular, imposing new Buy American mandates on complex manufactured products would limit the effectiveness of infrastructure funds and curtail our efforts to use the best available technologies to solve complex water challenges such as climate mitigation, resilience, and equity.

The drinking water and wastewater sectors have adapted to Buy American mandates related to the use of iron and steel products, reinforced concrete, and construction materials on infrastructure projects financed in whole or in part with funding from EPA's Drinking Water and Clean Water State Revolving Funds (DWSRFs and CWSRFs) and the Water Infrastructure Finance and Innovation Act of 2014 (WIFIA). Congress permanently applied domestic iron and steel and related mandates to CWSRF-funded projects in 2014, and a similar mandate for DWSRF-funded projects through 2023 fiscal year. While the ultimate value of these mandates is

debatable (as studies have shown that the annual cost to taxpayers for every job protected by Buy American provisions are over \$250,000 because of the higher prices paid for goods¹), in recent years drinking water and wastewater systems have successfully navigated the Buy American rules in the SRF and WIFIA programs either by sourcing domestic iron and steel products, reinforced concrete, and construction materials or expending resources to obtain a waiver when necessary for products not produced in the U.S. However, we are deeply concerned about expanding these Buy American mandates to the much more complex manufactured products that are critical components of water infrastructure projects and utility operations.

Buy American mandates relating to manufactured products used in drinking water and wastewater projects could lead to a host of unintended consequences. First, drinking water and wastewater systems have been constructed since the 1970s in conformance with federal clean water and safe drinking water regulations. To comply with evolving and increasingly stringent requirements, entities must make use of best available and emerging technologies. The efficacy, reliability and sustainability of these technologies, not origin of manufacturing, drives the procurement process. These drinking water and wastewater systems are complex facilities whose systems or operational components cannot simply be redesigned to comply with a new Buy American procurement policy. They are not “plug and play” products and technologies, but rather integrated systems that depend on specialized technologies that rely upon components universally sourced. By limiting an agency’s engineering options, you risk sacrificing quality, and create the potential to limit implementation of new technologies as they become available to only those produced in the U.S. This will become increasingly important as we are mandated to address contaminants at lower and lower levels.

For a variety of reasons, many of these specialized components are designed and manufactured overseas – without a domestic equivalent available. The imposition of new Buy American mandates for manufactured products would therefore, at best, cause drinking water and wastewater utility managers to navigate a bureaucratic maze to simply obtain a waiver to use a specialized product that is not even produced in the U.S. At worst, this new mandate could cause supply chain disruptions or expensive system redesigns, which in turn would delay projects, threaten public health, and stymie job creation.

The nation’s drinking water and wastewater systems believe that investing in America is sound policy. Indeed, investing in water infrastructure itself is an investment in America and American jobs. However, the fact remains that many of the specialized components and products necessary to operate a drinking water or wastewater system are not produced in the United States, leaving utilities no choice but to obtain these products elsewhere. A broad Buy American mandate for manufactured products would ignore this reality and would be far more detrimental than existing mandates related to domestic iron and steel products. Instead, it would hobble the efficient modernization of our water infrastructure, limit our ability to source best available technology,

¹ Gary Clyde Hufbauer and Euijin Jung, [The High Taxpayer Cost of "Saving" US Jobs Through "Made in America"](https://www.piie.com/blogs/trade-and-investment-policy-watch/high-taxpayer-cost-saving-us-jobs-through-made-america) Peterson Institute for International Economics (May 4, 2021, 3:45 PM), <https://www.piie.com/blogs/trade-and-investment-policy-watch/high-taxpayer-cost-saving-us-jobs-through-made-america>.

lead to jobs losses and increase project capital and operating costs – thereby exacerbating affordability of water services. For these reasons, we urge you to oppose all efforts to expand water sector Buy American mandates to manufactured products and work with us to ensure that reliable supply chains exist and are expanded to allow for timely, efficient, and effective compliance with federal, state, and local drinking water and clean water standards.

Sincerely yours,

American Water Works Association
Association of Metropolitan Water Agencies
California Association of Sanitation Agencies
National Association of Clean Water Agencies
National Water Resources Association
Water Environment Federation
WaterReuse Association
Water and Wastewater Equipment Manufacturers Association

cc: Chairman Peter DeFazio, Committee on Transportation & Infrastructure
Chairwoman Grace Napolitano, Subcommittee on Water Resources and Environment,
Committee on Transportation & Infrastructure
Chairman Frank Pallone, Committee on Energy and Commerce
Chairman Paul Tonko, Subcommittee on Energy and Climate Change, Committee on
Energy and Commerce
Ranking Republican Sam Graves, Committee on Transportation & Infrastructure
Ranking Republican David Rouzer, Subcommittee on Water Resources and
Environment, Committee on Transportation & Infrastructure
Ranking Republican Cathy McMorris Rodgers, Committee on Energy and Commerce
Ranking Republican David B. McKinley, Subcommittee on Energy and Climate Change,
Committee on Energy and Commerce