

WATER INFRASTRUCTURE

Increase funding for water infrastructure programs and require open competition in designing and bidding on piping systems in order to stretch taxpayers' dollars and lower local ratepayers' costs.

THE ASK

- Support the Water Resources Development Act (WRDA) bill, and support the inclusion of the Securing Required Funding for Water Infrastructure Now Act (SRF WIN Act) provisions in WRDA.
- Co-sponsor and actively support Congressman Babin's bill, the Municipal Infrastructure Savings and Transparency Act (MIST Act).
- Oppose restrictive design and bidding policies for rural water infrastructure in federal agriculture appropriations bills and report language. Follow current regulations that require open and free competition to prevent the wasting of taxpayer dollars and unnecessary escalation of local ratepayers' water bills.

THE WHY

- Upgrading inland waterways and ports is critical for interstate and international commerce with the U.S. exporting approximately 1/3 of domestically produced PVC.
- Drinking water and wastewater infrastructure improvements are essential for a more sustainable society. Sustainability is about doing more with less: better environmental and natural resource stewardship in balance with economic and social due diligence. Innovative PVC pipe provides more sustainable solutions by improving the durability and lifecycle performance of pipe systems, reducing energy use, and lowering costs for ratepayers.
- The vinyl industry is working together to address sustainable development across our industry, targeting the specific economic sectors where we can make the most impact. With 10 billion people expected to live on the planet by 2050 and the underlying need to do more with less in light of depleting natural resources, PVC is a material of choice for the many market segments served by the industry, particularly for drinking water and wastewater pipes.
- PVC pipe is an answer to the pipe corrosion and poor performance problems with metal pipe. An independent and peer-reviewed life cycle assessment concludes PVC has lower environmental impacts from a life cycle and carbon footprint perspective – lower embodied energy, lower use-phase energy and longer life attributes compared to other pipe materials. The PVC pipe design life is 100+ years. Throughout this period, the energy required to pump water through PVC pipe remains constant because PVC pipe walls are smooth and do not degrade over time. This generates overall lifecycle cost savings and a lower carbon footprint compared to alternative materials that require more pumping energy over time due to corrosion, leaks and internal degradation. According to a March 2018 study of North American piping systems, PVC pipes have fewer breaks and require less maintenance than pipes made of other materials.

THE FACTS

- Each year more than 2.6 trillion gallons of treated water leak from antiquated and corroding iron and cement pipes. With an expected 100+ year lifespan, PVC pipe also requires less energy and fewer resources to manufacture.

- A recent comparative analysis of pipe materials demonstrates PVC pipe performs superior to other pipe materials over the lifetime of a pipe system.

PROBLEM

- The dire condition of our Nation’s decaying water infrastructure, and the associated health concerns, underscores the need for both an increased financial investment and more long-term and strategic considerations.
- Historical local procurement specifications do not always allow engineers and utility contractors to consider installing PVC pipe (or other alternative materials) in water and sewer infrastructure projects, even though PVC pipe is corrosion proof and has a lower break rate than traditional materials like ductile iron. Incumbent competitors oppose changes in procurement requirements.

OPPORTUNITIES

- **Water Resources Development Act (WRDA) 2018**
 - Maintaining and rebuilding U.S. ports and inland waterways must be a high national and vinyl industry priority. The U.S. vinyl industry exports about 1/3 of the PVC resin, or polymer powder, that it produces in the U.S. Manufacturers would like to build more PVC manufacturing facilities here. Bulk transportation through our waterways and ports is essential if the U.S. wishes to maintain world leadership in high-quality vinyl production. The House passed its version of WRDA (**H.R. 8**) and the Senate expects to take up its WRDA bill (**S. 2800**) this month.
- **Securing Required Funding for Water Infrastructure Now Act (SRF WIN Act)**
 - The country’s water infrastructure needs estimated at >\$1 trillion over 20 years, far exceeds current investments by the federal and state governments. The SRF WIN Act (**H.R. 4902 / S. 2364**) helps address this by supplementing existing State Revolving Funds and Water Infrastructure Finance and Innovation Authority (federal credit assist) programs. The bill will enable states to leverage the federal contribution 100x to multiply limited state dollars for drinking water and wastewater projects. The Senate incorporates the SRF WIN Act in its WRDA bill.
- **Municipal Infrastructure Savings and Transparency Act (MIST Act)**
 - The second part to more investment in water infrastructure is stretching those investments through competitive design and procurement practices. The MIST Act (**H.R. 5310**) requires states receiving federal funds to use competitive bidding practices in procuring design services and purchasing products used in water infrastructure projects. In localities prescribing only ductile iron pipe, research shows these monopolies cost ratepayers about 30-50% more for the same product compared to open-bid cities where PVC and other materials are allowed to compete. The ductile iron industry and its allies vigorously oppose changes to local laws or exemptions to use alternative pipe materials for projects.
- **House Agriculture Appropriations Bill**
 - Currently, the USDA Rural Utilities Service (RUS) requires through regulation [**7 CFR 1780.70(b) and (d)**] “maximum open and free competition” in the bidding process for rural water and wastewater pipe projects. With state demands exceeding funding, RUS must administer the funds it receives from Congress each year in the most efficient and cost-effective manner possible. Competition ensures this. Members of the Alabama delegation, however, oppose the RUS regulation because ductile iron pipe produced in this state does not

compete well on cost or performance compared to PVC and other pipe materials. Report language in the House agriculture appropriations bill directs USDA RUS to ignore the maximum open and free competition requirement. The vinyl industry and the American Chemistry Council urge Congress to strike the report language.