



December 5, 2016

President-Elect Donald J. Trump  
1717 Pennsylvania Ave., NW  
Washington, DC 20006

Dear President-Elect Trump,

On behalf of the Water and Wastewater Equipment Manufacturers Association (WWEMA), congratulations on your election as the 45<sup>th</sup> President of the United States. WWEMA is the non-profit trade association that has represented the voice of technology manufacturers in the water and wastewater industry since 1908. Our members employ thousands of working men and women in the U.S. dedicated to innovation and creating technologies that make our drinking water safe and protect our lakes, rivers, bays, and underground aquifers from contamination. Our companies contribute billions of dollars in economic revenue to the U.S. annually. From pumps to filters to clarifiers to membranes to disinfection equipment to monitoring equipment to contaminant treatment technologies, our members supply the most sophisticated leading-edge products, technologies, and services offering solutions to every water-related environmental problem facing today's society. WWEMA's mission is to advocate, inform, and connect our members with other thought leaders in the industry to provide leadership on issues that affect public health and the environment and to promote manufacturing and technology innovation.

During your campaign and post-election, you have articulated a vision to "Make America Great Again." A critical piece of that vision is supporting, promoting, and creating an environment that allows American industry and manufacturing to grow and prosper – employing U.S. citizens and building our economic strength so that all can benefit from the American Dream. America's water and wastewater infrastructure needs are great, but collectively we can and must invest in the technological solutions and workforce needed to solve our 21<sup>st</sup> century problems. We also need to rethink how we provide these services using a business model of enterprise zones, and a combination of public and private financing that holds everyone accountable for outcomes and results.

WWEMA has articulated its position and priorities in the attached paper. We welcome the opportunity to work closely with you and your staff as you develop your agenda to rebuild and renew our nation's water and wastewater infrastructure and manufacturing capabilities. Our members are available and willing to assist your transition staff and newly appointed leadership team. We look forward to helping you "Make America Great Again." Thank you for your consideration.

Sincerely,

Vanessa M. Leiby  
Executive Director

# ***Water and Wastewater Equipment Manufacturers Association Priority Issues for the New Administration***

## **“Building a Strong Manufacturing Base for Economic Growth and Public Health and Environmental Protection”**

### **Who We Are**

The Water and Wastewater Equipment Manufacturers Association (WWEMA) is the non-profit trade association that has represented the voice of technology manufacturers in the water and wastewater industry since 1908. Our members employ thousands of working men and women in the U.S. dedicated to innovation and creating technologies that make our drinking water safe and protect our lakes, rivers, bays, and underground aquifers from contamination. Our companies contribute billions of dollars in economic revenue to the U.S. annually. From pumps to filters to clarifiers to membranes to disinfection equipment to monitoring equipment to contaminant treatment technologies, our members supply the most sophisticated leading-edge products, technologies, and services offering solutions to every water-related environmental problem facing today’s society. WWEMA’s mission is to advocate, inform, and connect our members with other thought leaders in the industry to provide leadership on issues that affect public health and the environment and to promote manufacturing and technology innovation.

Headquartered in the Washington, DC area, WWEMA works closely with Congress and other agencies, monitoring legislative and regulatory actions, promoting fair and open trade, supporting technology innovation and acceptance, and advocating for adequate funding to meet environmental and public health goals. WWEMA provides a vital link between its members and governmental and private trade organizations, banking systems, and utilities around the U.S. and abroad.

### **Benefits of Actions on Priority Issues**

The benefits of water and wastewater infrastructure and manufacturing investment are well documented. They include:

- Protection of Public Health and the Environment – ensuring a safe, sustainable, and secure future;
- Job Creation – the Associated General Contractors estimates that 28,500 jobs will be created or saved for every \$1B in infrastructure investment;
- Growing the Economy – more jobs means more economic growth and opportunities for all Americans.

### **Priority Issues**

**WWEMA supports the creation of sustainable infrastructure financing mechanisms to build, maintain, and replace our nation's water and wastewater infrastructure.** The U.S. Environmental Protection Agency (EPA) has estimated the investment gap at \$650 billion over the next 20 years for safe drinking water and wastewater treatment infrastructure. WWEMA believes that resources are available in the private and governmental sectors, although more may be needed, and that closing the gap will require

utilities to use a combination of financing mechanisms. These include increasing utility rates to recognize the full cost of water, use of alternative funding sources such as public-private-partnerships, and use of Federal funding mechanisms such as Clean Water and Safe Drinking Water State Revolving Loan Funds (SRFs) and the Water Infrastructure Finance Innovation Act (WIFIA). Removal of the volume cap for private activity bonds, preservation of tax-exempt municipal bonds, increased incentives for public-private-partnerships, and addressing localized issues of affordability are key pieces in achieving financial viability. The business model for water infrastructure funding also needs to be modernized. This may include creation of enterprise zones and policies that safeguard water utility fees to allow for asset management and rehabilitation planning and funding.

***Recommendations:***

- Support a suite of funding approaches that includes local rate-based, private funding including public-private-partnerships, and Federal funding options including increased funding for state SRF programs and WIFIA.
- Remove volume caps on private activity bonds, preserve tax-exempt municipal bonds, and encourage creation of enterprise zones and dedicated funds that ensure that fees collected from water rate payers are dedicated to utility improvements and operations.
- Evaluate options to address localized affordability issues, including the ability to charge variable rates.

**WWEMA promotes fair trade and the elimination of barriers to fair trade for environmental goods and services to promote the creation of jobs in America.** WWEMA actively engages with the U.S. Department of Commerce and other organizations to promote these goals. WWEMA supports the Export-Import Bank, which provides loans, loan guarantees, and export credit insurance to help cover financing gaps for American exporters including small and medium-sized businesses so they can sell their products overseas, creating jobs for American workers, and growing the U.S. economy. Through participation in the U.S. Department of Commerce's Environmental Technologies Trade Advisory Committee (ETTAC), WWEMA has played an instrumental role in establishing a comprehensive list of water and wastewater products that were included in the recent trade agreements. These agreements would lower or eliminate international tariffs on many of the water and wastewater treatment products our members produce, making it easier for them to expand and grow their market overseas.

***Recommendations:***

- Support the continued authorization of the Export-Import Bank.
- Support and enhance the services provided by the Department of Commerce that help U.S. companies export goods and services.
- Work to lower or eliminate tariffs and non-tariff barriers on U.S. water and wastewater products and services.

**WWEMA advocates for the use of value-based procurement practices that offer the greatest value in technologies and services to utility customers by considering total life-cycle cost of ownership over a defined period of time.** WWEMA supports an open procurement and selection process, believing this to be an important step in effectively managing assets and maximizing public value. Open procurement allows for all appropriate materials and/or equipment to be considered and accurately and fairly compared. Adoption and use of such a process can result in significant cost savings and greater

efficiency and effectiveness. WWEMA opposes the enactment of legislation the purpose of which is to give preferential treatment to the sourcing or supply of one material or process over others as this can have significant unintended consequences. Such legislation, which has been proposed regarding piping materials in several state legislatures, serves to take decision-making out of the hands of utility officials and their consulting engineers who are the technical experts. This in turns restricts competition which, more often than not, results in higher prices and suboptimal procurement decisions – even eliminating beneficial technologies from consideration. WWEMA believes it is the duty of the owner and its engineers to do proper due diligence to evaluate all products for the intended application/use and make value-based decisions on overall life-cycle costs.

***Recommendations:***

- Encourage value-based procurement practices that consider total life-cycle cost of ownership over a defined period of time rather than simply lowest bid.
- Support procurement practices that allow for all appropriate materials and/or equipment to be considered and accurately and fairly compared and oppose practices that give preferential treatment to one material or process over others, if others are indeed appropriate.
- Promote, not restrict, competition to decrease costs and allow for innovation.

**WWEMA supports scientifically-based regulations that are consistently enforced to ensure public health and environmental protection and a stable and viable market for technologies.** The EPA may promulgate several new regulations or guidance over the next few years. Prime candidates include nutrients, cyanotoxins, *Legionella*, lead and copper, perchlorate, PFOA/PFAS, and other emerging contaminants of concern. EPA needs to use sound science in regulatory development, engage in effective oversight, and apply uniform enforcement to ensure compliance. The use of clear, enforceable regulatory approaches is preferred over guidance which is non-binding. Regulations can drive technological breakthroughs and innovation that are engines for economic growth and vital to our water systems in the future. Manufacturers make specific business decisions and investments in technology development based on projected future markets. They cannot afford to make investments in technologies that are never implemented because regulations are not enforced and utilities are not required to comply with new standards. Manufacturers also struggle with the protracted and costly state-by-state approach to the validation and acceptance of new technology. New tools and data sharing options need to be created to allow manufacturers, states, and utilities to share information about technology efficacy and operations so as to encourage innovation and promote wide-spread acceptance. In addition, technologies that are fully implemented at utilities to solve a public health or environmental problem and are demonstrating operational efficacy need to be considered by the EPA when they develop guidance on acceptable technologies or processes rather than the EPA just depending on peer-reviewed published papers that typically address a small component of a research project.

***Recommendations:***

- Support scientifically-based regulations that are consistently enforced to drive technology adoption and implementation.
- Support creation of databases or other sharing mechanisms that educate states, utilities, and EPA about proven technologies that are in use at water and wastewater systems.

**WWEMA supports funding for technology innovation.** WWEMA encourages the new Administration to provide Federal support for technology innovation and adoption. Currently there is a patchwork of initiatives across the country, some private and some Federally-supported, all with different missions and goals. There is no clear national directive to support and promote technological innovation which is critically needed. Innovative new ideas require capital, market access, and time for proof of concept, leading to full commercialization. Many new, exciting ideas fail because developers do not have capital and support necessary for the current 5-10 years needed from concept to commercialization.

***Recommendation:***

- Support a well-structured, coordinated approach to technology innovation and adoption that reduces the time and costs for commercialization and ensures that technologies, once proven, gain wide acceptance with minimal redundant costs.

**WWEMA supports efforts to invest in and build the next generation water workforce of the future.** One of the biggest challenges facing the water industry over the next decade is the aging water workforce. The industry currently faces a deficit of employees coming into the workplace with needed skills and expertise to tackle the water challenges of the 21<sup>st</sup> century and beyond. WWEMA supports policies that promote workforce training across the range of occupations in the water industry – from engineers to plant operators to technology developer – as this issue transcends all aspects of our industry.

***Recommendation:***

- Support STEM education and opportunities to direct students to the water and wastewater industry through community colleges, four-year institutions, and specialized training programs.

**Contact**

WWEMA and its members are available to assist in any way. Our members would welcome the opportunity to discuss the issues and opportunities covered in this paper. Meetings or other opportunities for dialogue can be arranged by contacting Vanessa M. Leiby, WWEMA's Executive Director, at 703-444-1777 or [vanessa@wwema.org](mailto:vanessa@wwema.org). For additional information on WWEMA, please view our website at [www.wwema.org](http://www.wwema.org).