

April 30, 2019

The Honorable Peter DeFazio
Chairman
House Transportation and Infrastructure
Committee
2251 Rayburn House Office Building
Washington D.C. 20515

The Honorable Sam Graves
Ranking Member
House Transportation and Infrastructure
Committee
2251 Rayburn House Office Building
Washington D.C. 20515

Dear Chairman DeFazio and Ranking Member Graves,

Thank you for the opportunity to provide policy recommendations for infrastructure legislation. As you are aware, the American Society of Civil Engineers' 2017 Infrastructure Report Card, gave an aggregate D+ grade to the infrastructure system in the United States. They estimated that the US needs to spend \$4.5 trillion by 2025 to improve the state of the country's transportation, energy, water, waste, and school infrastructure. There is broad agreement that infrastructure investment is necessary for the safety and economic development of our country, but funding remains a challenge. We believe that open material competition is one reasonable way we can reduce costs and help bridge the gap between infrastructure needs and available funding.

Federally funded infrastructure projects should require open, competitive bidding procedures for all materials. An open and competitive bidding process will allow local officials to make smart investments by considering multiple technologies for infrastructure projects, which will allow them to make the best decision for their community based on performance, including sustainability and resiliency, as well as cost effectiveness. Providing municipalities with more competition options will help maximize the use of taxpayer dollars and lower prices for consumers.

Currently a large number of municipalities have regulatory restrictions that greatly limit the types of materials that can be considered for infrastructure projects. By limiting choice and taking many potential solutions off the table, these regulations have increased costs for projects and blocked new and innovative materials from being considered. The result is an archaic system that props up material monopolies resulting in billions of dollars in wasted local, state and federal resources that could be put to better use.

When federal funds are dedicated to support infrastructure projects, an open and competitive bidding process can save money and maximize resources. The National Taxpayers Union estimates that open competition could save over \$371 billion on water infrastructure improvements alone. BCC Research undertook a detailed study of the water supply market and the storm water pipe market and found even within these two subcategories, \$20.6 billion and \$22.3 billion, respectively, of pipe cost savings potential could be realized by transitioning to wholly open competitive processes over a 10 year window. At over \$4 billion per year in savings, open competition could effectively triple the impact of federal water infrastructure support through the EPA's State Revolving Funds.

Therefore, we recommend pairing increased federal investment with smart policies such as open competition that have received broad bipartisan support, including but not limited to the following (see attached for full letters and reports):

- **Oregon Environmental Council** – October 2018
- **Donna Nyberg**, Chair, Labor Caucus of the Democratic Party of Oregon – October 2018

- **Senator Arnie Roblan**, Oregon Senate District 5 – October 2018
- **Representative Brad Witt**, Oregon House of Representatives, District 31 – October 2018
- **Representative Alissa Keny-Guyer**, Oregon House of Representatives, District 46 – October 2018
- **Doug Morten, Council President**, City of St. Helens, OR – October 2018
- **Ron Verini**, Mayor, City of Ontario, OR – October 2018
- **U.S. Conference of Mayors** [“Municipal procurement: Competitive bidding for pipes Demonstrates Significant Local Cost-Savings”](#) – October 2018
- **The Brookings Institute**, [“Four ways to make wiser infrastructure investments”](#) – July 2018
- **Bipartisan Policy Center**, [“Increasing Innovation in America’s Water Systems”](#) – August 2017
- **Progressive Policy Institute**, [“Soaring Construction Costs Threaten Infrastructure Push”](#)– October 2017
- **Americans for Tax Reform; National Taxpayers Union; Taxpayers Protection Alliance; R Street Institute; ALEC Action; Americans for Prosperity; FreedomWorks; Council for Citizens Against Government; Waste Independent Women’s Voice; Center for Freedom and Prosperity; Campaign for Liberty; 60 Plus Association; Citizen Outreach Less Government; National Federation of Republican Assemblies; Tea Party Nation** – May 2017

Simple, common-sense legislation that uses competition to help stretch our investments in water infrastructure further is good for business, taxpayers, local governments, and the country. As you consider writing infrastructure legislation please include open competition requirements for infrastructure projects.

Sincerely,

American Chemistry Council
 American Composites Manufacturing Association
 Associated Builders and Contractors
 International Association of Plastics Distribution
 Leading Builders of America
 National Association of Homebuilders
 National Corrugated Steel Pipe Association
 Plastic Pipe and Fittings Association
 Plastics Industry Association
 Plastics Pipe Institute
 PVC Pipe Association
 Vinyl Institute