



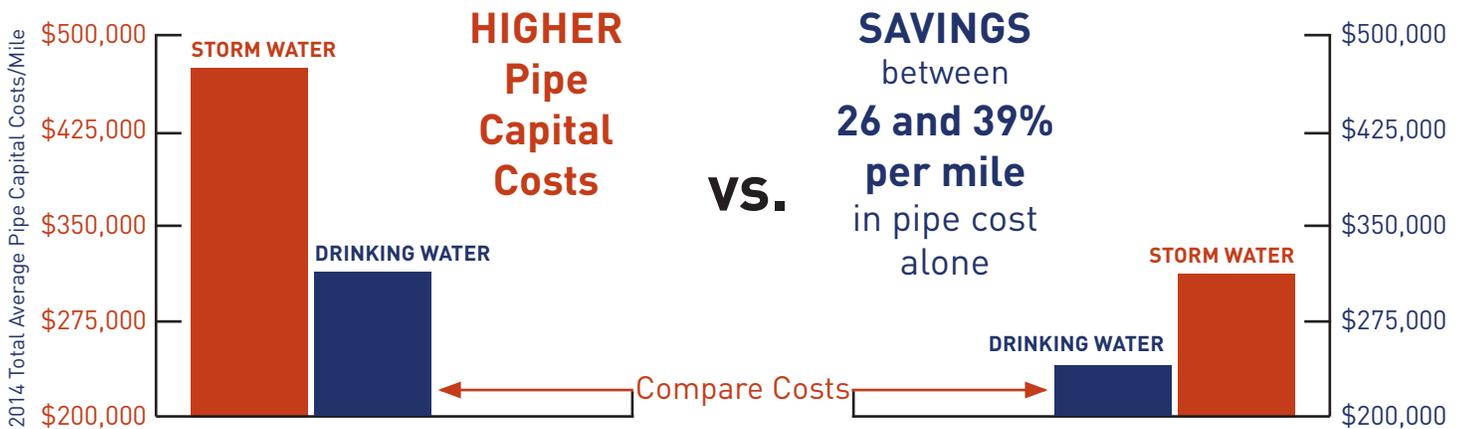
NEW U.S. STUDY REVEALS TAXPAYER SAVINGS ON WATER INFRASTRUCTURE



- Much of our **water infrastructure systems** was built decades, if not a hundred years, ago or more. As a result there are 240,000 water main breaks in the U.S. every year (660 per day).
- In a previous study, the National Taxpayers Union (NTU) estimates that **replacing our entire water infrastructure would cost \$1.32 TRILLION**. According to the NTU, **by switching to an “open competition” process more than \$371 BILLION could be saved¹**.
- Virtual Monopolies result in **unnecessary costs to federal, state, and local governments** and fall heavily on taxpayers through high water rates.
- Modernizing these systems will be costly, made worse as many communities use “closed competition” that creates a virtual monopoly for one pipe material. It has been estimated that **78% of water systems are “closed competition”** leading to virtual monopolies.
- 17% of U.S. potable water is lost to leakage due mainly to corrosion; additionally municipalities must increase operational expenditures for legacy materials, including have to spend more money on energy to pump water through corroded and calcified pipes.
- A new study by BCC Research² shows that municipalities can **save in excess of 25% on pipe costs by allowing “open competition”**.

CLOSED COMPETITION

OPEN COMPETITION



Competition Means Innovation and Cost Savings

- Congress appropriates billions in water infrastructure funding that is then mixed with state and local funding and put to bid on projects. But with virtual monopolies at the local level, **federal dollars are being wasted**.
- Congress should make explicit **all** materials meeting performance requirements can compete for projects supported by federal dollars
- The new study highlights that **the average cost to replace drinking water pipes in an “open competition” system is 26% per mile LESS EXPENSIVE** than in “closed competition” regions. For storm water, the savings average 39% per mile.
- Across the country, “open competition” would **save \$20.5 BILLION for drinking water and \$22.3 BILLION for storm water in pipe material costs alone** over the next 10 years, according to this new study.
- Competition will speed the upgrading of water infrastructure and enable innovation to help provide clean, safe water and reduce ongoing maintenance costs related to corrosion.

¹ National Tax Payer’s Union, “Reforming Our Nation’s Approach to the Infrastructure Crisis: How Competition, Oversight, and Innovation Can Lower Water and Sewer Rates in the U.S.”, April 2013

² BCC Research, “Special Research Study: Nationwide Pipe Length and Cost Savings Evaluation”, February 24, 2017.