

U.S. Senate Committee on Environment and Public Works
*Hearing: Examining the Challenges Facing Drinking Water and Waste Water
Infrastructure Projects*

March 17, 2021

Statement for the Record

The American Chemistry Council (ACC) would like to submit the following statement for the record to make the Committee aware of a sensible solution that would help communities make the most of federal infrastructure resources. Adopting this solution would provide state and local governments with more choices when it comes to selecting materials for infrastructure projects, and also help reduce project costs for communities and ease the burden on American households.

There is broad recognition that America's transportation, energy and water infrastructure is outdated and in need of repair or even replacement. The American Society of Civil Engineers (ASCE) gave a grade of "C-" to the nation's drinking water infrastructure and a "D+" to the nation's wastewater infrastructure. The resources needed to fix this problem are tremendous: ASCE estimates more than \$1 trillion¹ is needed to repair our water infrastructure system. It is imperative that we find a way to fund these projects in a financially responsible manner because a functioning water system is not only critical to our citizen's daily lives but also to the economic success of our country.

Outdated Requirements Slow Progress

The U.S. government provides major resources to help municipalities rebuild crumbling infrastructure. It's critical that this new construction incorporates innovative technologies and advanced materials, in order to produce sustainable and resilient infrastructure systems that will last for several generations.

Currently a large number of municipalities have a closed or pre-determined bidding process that greatly limits the types of materials that can be considered for infrastructure projects. By taking many potential solutions off the table, these regulations have increased costs for projects and subsequently limited the number of water and sewer projects that can be completed.

Getting More for Less

ACC represents the leading companies engaged in the business of chemistry, a \$565 billion enterprise and a vital industry for repairing our nation's crumbling infrastructure. Our members make a variety of products used in or with every major type of water system, including water treatment chemicals, and materials to reduce iron pipe corrosion. They also make the basic plastic resins used in polyvinyl chloride (PVC), polypropylene (PP), and high density polyethylene (HDPE) pipes. We believe that the merits of a material should drive its use and no material should be automatically disqualified or given preferential treatment.

ACC also believes that when state and federal funds are used to support infrastructure projects, then engineers should be allowed to consider all materials and select the best choice through an open competitive bidding process. Adopting such an approach will give engineers the authority to select the most effective and competitively priced option for their projects, and help guarantee that government resources will be used wisely and go much further.

BCC Research undertook a detailed study of the water supply (force main) market and the stormwater conveyance pipe market (gravity feed) and found even within these two subcategories, \$20.6 billion and \$22.3 billion of pipe cost savings could potentially be realized by transitioning to wholly open competitive processes over a ten year period. A study by the National Taxpayers Union estimates that open competition could save over \$371 billion on water infrastructure improvements more broadlyⁱⁱ.

Other policy groups such as the Brookings Instituteⁱⁱⁱ, US Conference of Mayors^{iv}, and the R Street Institute^v agree that adopting open-procurement practices will help communities make wiser choices and investments when it comes to repairing their water infrastructure.

Recommendation

We need reliable and safe water systems for our homes and businesses. Adopting legislation that promotes an open competitive bidding process would help make the most of investments in water infrastructure; increase government transparency; unleash the use of innovative, sustainable solutions; and increase the quality and long-term success of local infrastructure projects. All of which is good for communities, business, taxpayers and the country.

Congress can help stretch limited resources by ensuring all government funded infrastructure grant programs and procurement processes require open, competitive bidding procedures for all materials. All appropriations bills and infrastructure legislation should include language making this principle clear and central to the bidding process for materials. Language similar to the provisions of the [Sustainable Municipal Access to Resilient Technology in Infrastructure \(SMART-I\) Act](#) introduced during the last the Congress.

You can learn more by visiting: <https://www.americanchemistry.com/Open-Competition.html>

ⁱ American Society of Civil Engineers, [2021 Report Card for America's Infrastructure](#)

ⁱⁱ National Taxpayers 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

ⁱⁱⁱThe Brookings Institute: [Four Ways to Make Wiser Infrastructure Investments](#)

^{iv} US Conference of Mayors: [Municipal Procurement: Competitive Bidding for Pipes Demonstrates Significant Local Cost-Savings](#)

^v R Street Institute: [R Sheet on Water Infrastructure Procurement](#)