

VIRTUAL MONOPOLIES RAISE WATER COSTS; HIT LOW INCOME FAMILIES HARDEST



The American Water Works Association estimates that over **\$1.3 TRILLION** will be needed to replace our nation's water infrastructure, even as water service rates are skyrocketing.

WATER INFRASTRUCTURE IS FAILING

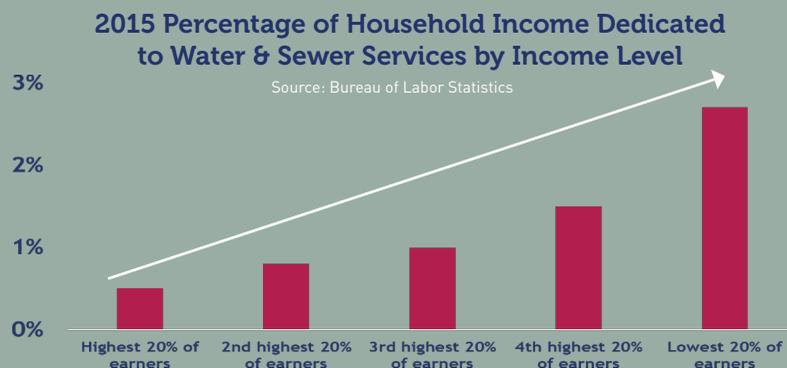
- **240,000** water main breaks/year
- **\$2.6B** wasted on lost water and sewer overflows due to aging pipes
- **17%** of potable water lost to leakage

WATER COSTS ARE INCREASING

- Since 2000, water rates have gone up by **137%**
- A Michigan State University study projected that water could be unaffordable for **1/3 of Americans** in five years

LOW & FIXED INCOME AMERICANS BEAR THE BRUNT OF RISING WATER COSTS

 % before tax income spent on Water and Other Public Services



VIRTUAL MONOPOLIES DRIVE UP RATES AND PREVENT MODERNIZATION

3/4ths of municipalities dictate which materials and pipes must be used in water projects.

After the water disaster in Flint, MI, the Michigan 21st Century Infrastructure Report cited **procurement and regulatory policies as barriers to the evaluation and use of new materials that could provide environmental and cost benefits.** As a remedy, the report recommended that standard operating practices should allow open competition.

COMPETITION MEANS INNOVATION & COST SAVINGS

Simply allowing open competitive bidding processes for project materials can lower maintenance and improvement costs, **regardless of which material is ultimately chosen.**

Competition can save:

25 - 39% per mile in pipe costs

OR

\$42B for drinking water and storm water pipe materials costs

Source: BCC Research

CONGRESS SHOULD ENSURE OPEN COMPETITION IN FEDERALLY FUNDED INFRASTRUCTURE PROJECTS

Congress should require that all government-funded infrastructure grant programs and procurement processes incorporate open, competitive bidding procedures for selection of materials. All appropriations bills and infrastructure legislation should make this requirement clear. Competition will allow local officials to consider multiple technologies and make the best decision for their community based on performance and cost effectiveness.