



January 7, 2014

Chairwoman Barbara Boxer
Senate Environment and Public Works
Committee
Washington, D.C. 20510

Ranking Member David Vitter
Senate Environment and Public Works
Committee
Washington, D.C. 20510

Chairman Bill Shuster
House Transportation and Infrastructure
Committee
Washington, D.C. 20515

Ranking Member Nick Rahall
House Transportation and Infrastructure
Committee
Washington, D.C. 20515

Dear Conferees:

On behalf of Associated Builders and Contractors (ABC), a national association with 70 chapters representing 22,000 merit shop construction and construction-related firms, I am writing in regard to the House-Senate Conference meeting on the Water Resources Reform and Development Act (WRRDA) and the Water Resources Development Act (WRDA).

ABC applauds both the House and Senate for recognizing the importance of our nation's water infrastructure by moving forward with the first Water Resource Reauthorization bill since 2007. While both bills represent a step in the right direction, we support improvements to the final product that are outlined below.

ABC has concerns regarding the Water Infrastructure Finance and Innovation Act (WIFIA) included in the Senate WRDA bill (S. 601). Over five years, WIFIA would authorize Treasury to lend \$50 million per year directly to large water projects or to state revolving funds, which allows states to provide low-interest loans to water utilities in order to make infrastructure improvements comply with federal standards. Typically funded by federal money set aside through appropriations, these state revolving funds also rely on state matching dollars and investments and loan repayments. While ABC supports innovative financing, we are concerned that the use of state revolving funds would have the unintended consequence of subjecting projects without any federal funding to costly and cumbersome Davis Bacon requirements.

In 2000, the Environmental Protection Agency announced it would apply Davis-Bacon to clean water infrastructure projects funded by the Clean Water State Revolving Fund (CWSRF). In addition to the increased costs on these projects, this application of Davis-Bacon defies Congress' intent as expressed in the Clean Water Act, which states that Davis-Bacon shall not apply to CWSRF projects after FY'95. ABC has long been opposed to legislation that expands Davis-Bacon into areas of public and private projects in which it has previously not been mandated and hopes that it will not apply under the WIFIA program.

ABC also supports the water infrastructure public-private partnership (P3s) program included in Section 114 of the House WRRDA bill (H.R. 3080), which would authorize the use of P3s on at least 15 water-related projects in the United States Army Corps of Engineers' construction backlog. The federal government and taxpayers would benefit greatly from embracing the use of innovative and potentially

cost-saving P3s in federal contracting. ABC strongly urges conferees to include this section in the final bill, even though it was not included in the Senate version of the bill.

We look forward to working with you further on these legislative initiatives.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Burr", with a long horizontal flourish extending to the right.

Geoffrey Burr
Vice President, Federal Affairs