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May 1, 2009

The Honorable Max Baucus
United States Senate
Washington, D.C. 20510

Dear Senator Baucus:

The Committee on Environment and Public Works will be taking up a very important piece of legislation this coming week to reauthorize the Clean Water and Drinking Water State Revolving Fund programs at significantly higher levels to meet the enormous challenges facing our country in rebuilding its water and wastewater infrastructure. The Water and Wastewater Equipment Manufacturers Association (WWEMA), representing the nation's leading producers of water and wastewater products used in municipal and industrial applications, applauds this action as an essential measure to ensure that we maintain world-class facilities to protect public health and the environment.

While access to low-interest financing made available through the SRF programs is critical, so is having access to the most affordable and effective products relied upon by our municipal water and wastewater utilities to produce safe water supplies and treat wastewater discharges.

The members of our organization are extremely alarmed by recent efforts to inject "Buy American" requirements in authorization and appropriation bills, similar to that which currently exists in the American Recovery and Reinvestment Act (Sect. 1605 of H.R. 1) and the Water Quality Investment Act of 2009 (Sect. 608 of H.R. 1262). **We urge you to defeat any attempt to include such a requirement in the Senate's version of a water infrastructure financing bill.**

Unbenownst to most on Capitol Hill, the international trade agreement provision, which allows our federal government to continue sourcing from foreign suppliers whose governments are party to these agreements, does not apply at the sub-national level, thus restricting our municipal water and wastewater facilities from buying products from their traditional suppliers, including U.S. suppliers!

It is a commonly-known fact that nearly 40% of all manufactured goods sold in the U.S. are comprised of imported goods. Such is the case with the water and wastewater products used in municipal applications. Our industry is having to make sense now of the "Buy American" rules associated with the stimulus program and the very vague, confusing definition of what constitutes "manufactured goods produced in the U.S." and the even more confusing and complicated waiver process just now being implemented by the U.S. Environmental Protection

Agency. The stimulus plan has been anything but stimulating for companies doing business in the water and wastewater industry as projects have come to a halt awaiting instruction on how to comply with this new restriction placed upon their municipal customers.

Though the intent of the provision is to create U.S. jobs, we fear that the ultimate result will be a loss of U.S. jobs as other nations start instituting retaliatory measures, as is the case with Canada – *our largest trading partner* - which just introduced a “Canadian Products Promotion Act.” One community in Canada has gone so far as to pass a resolution that essentially prohibits procurement of U.S. products for Canadian municipal infrastructure projects, a resolution that will be presented to the Federation of Canadian Municipalities for adoption nationwide. We expect similar actions to be taken by other international trade partners that we have worked so diligently with to create fair and open trade policies -- policies that have been undermined by this “Buy American” provision.

Ours is a global industry. Our U.S. water and wastewater equipment manufacturers are successfully engaged in the exports of their products and have effectively sourced from other countries, bringing innovations to the U.S. accordingly. Our U.S. municipal water and wastewater facilities have been the beneficiaries of these efforts, having access to the very best in cost-effective technologies to meet their needs.

Do not undermine our members’ ability to best serve their municipal water and wastewater customers by imposing trade restrictions that could ultimately undermine the goal of generating U.S. jobs, ensuring public health and protecting the environment.

Sincerely,

A handwritten signature in blue ink that reads "Dawn Kristof Champney". The signature is fluid and cursive, with the first name "Dawn" being the most prominent.

Dawn Kristof Champney
President