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February 6, 2009

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Harry M. Reid  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable John Boehner  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Speaker Pelosi and Leaders Reid, McConnell, and Boehner:

The Water and Wastewater Equipment Manufacturers Association, a 101-year old national, non-profit trade organization representing North American producers and suppliers of technologies used in municipal and industrial water and wastewater applications, strongly urges the immediate repeal of the "Buy American" provision contained in the economic stimulus package working its way through Congress.

What may appear at first glance to be a laudable goal to invest U.S. taxpayer dollars in creating U.S. jobs, the reality is that such protectionist measures will ultimately serve to undermine our economy as it will demand retaliation by our largest trading partners, among them Canada, Mexico and the European Union. Any supposed new jobs that would be gained by a "Buy American" provision will surely be offset by major loss in business opportunities overseas which has fueled America's economy. Even with the attempt to tone down the provision in the Senate bill, stating that it must be "applied in a manner consistent with U.S. obligations under international agreements," it still sends the wrong message that the U.S. is closing its borders to business. Such a caveat will only serve to alienate our international trade partners and customers and further delay projects as this language will undoubtedly be subject to legal challenge.

Our Nation has worked too hard and too long to break down barriers to trade and open new markets for U.S. goods and services to now resort to such protectionist practices. The U.S. has made tremendous strides in attaining enforceable environmental and labor standards in free trade agreements, an achievement that would not have been possible had the U.S. not taken a leadership role in advancing open and free global trade for the betterment of society.

Exports of U.S. environmental goods and services have grown dramatically during the past two decades as a result of free trade policies, resulting in nearly 30% of our industry's \$300 billion annual revenues coming from export sales. U.S. manufacturers of water and wastewater equipment continue to increase their market share in the global arena, contributing to a positive U.S. trade balance in this sector and increased U.S. employment. Bear in mind, however, that the products manufactured by our member companies more than likely contain some foreign components, a reality of today's global economy as we strive to produce the most cost-effective and innovative technologies to protect the environment and maintain our national infrastructure. The "Buy American" provision would immobilize our markets by undermining our member companies' ability to produce in their normal supply chain. It would likely increase costs resulting in fewer projects being funded and fewer new jobs being created. It would be impractical – if not impossible – to enforce. In short, it would be detrimental to U.S. industry, public health and the environment we strive to preserve and protect.

WWEMA applauds Congress in its commitment to provide funding for water and wastewater projects in the economic stimulus package, knowing it will have immediate results in stimulating U.S. jobs and improving our nation's critical infrastructure. Let us not undermine these objectives by misplaced protectionist policy.

Sincerely,

David Angelo  
Chairman of the Board