



Poor Water Infrastructure Threatens Louisiana Economy

Clean Water is Good for Business

America is fortunate to have thousands of municipal water systems to provide reliable, plentiful clean drinking water and sanitary waste disposal. But most of this water infrastructure is deteriorating badly. Ranging from several decades to over a century old, our water infrastructure suffers from neglect and age and urgently needs repair and replacement. In 2017, The American Society of Civil Engineers (ASCE) issued an infrastructure report card that gave the U.S. drinking water infrastructure a “D” grade for overall quality. Nationwide, an estimated 240,000 water main breaks occur every year.

To maintain U.S. drinking water service at current levels requires replacing pipes that are already past, or at, their useful lives, and expanding systems to support growing populations. The American Water Works Association says completing these updates will require an estimated \$1 trillion in infrastructure investments over the next 25 years.

Both Democrats and Republicans have stated that America’s water systems need repair. Groups ranging from the U.S. Chamber of Commerce to the AFL-CIO have called for Congress to address this issue. Unfortunately, Congress has yet to pass any substantial funding bill to address America’s ailing water infrastructure.

Business survival as well as public health depends on saving America’s water infrastructure now.

Water infrastructure is as vital to business as it is to human health. American businesses rely on municipal water systems



IN A SNAPSHOT

- The American Society of Civil Engineers (ASCE) has found that Louisiana’s drinking water infrastructure earns a C- and wastewater infrastructure earns a C- grade.
- In Louisiana alone, \$5.3 billion will need to be invested over the next 20 years to bring our drinking water infrastructure back into proper working condition.
- An additional \$4.46 billion on wastewater infrastructure is needed over the same period.
- Louisiana agriculture is a major industry in the state, and Louisiana’s world-renowned bourbon distilling industry is not only a major source of revenue but a pillar of our culture. Both agriculture and distilling rely heavily on a constant, reliable supply of clean water for their everyday operations.

for food production, manufacturing, energy production, and much more. Even companies that do not directly rely on clean water infrastructure to create their products need it to fulfill their day-to-day functions. Faulty infrastructure inflicts disruptions on business operations, including utility service interruptions, polluted drinking water, and higher water bills.

Investing in water infrastructure cannot be delayed any longer. The American Society of Civil Engineers says that the fallout from America’s water infrastructure’s degradation will result in:

- \$147 billion in increased costs to businesses due to higher water rates,
- 700,000 jobs lost due to the resulting squeeze on company budgets,
- \$416 billion in lost GDP due to increased costs and the loss of worker productivity.

ASCE says these losses will occur by the year 2020. Failing to update infrastructure will result in failed water delivery to Louisiana residents, with the resultant danger to public health, attendant legal exposure costs, and business loss.



Louisiana Agriculture, Brewing and Other Business at Risk

Louisiana's water infrastructure is in poor shape. Reporting on the condition of America's infrastructure, the American Society of Civil Engineers (ASCE) states that Louisiana's drinking water infrastructure and wastewater infrastructure earn a D- grade. ASCE reports that, over the next 20 years, \$5.3 billion is needed just to bring Louisiana's clean water infrastructure back to working condition, with an additional \$4.6 billion needed for wastewater infrastructure. Louisiana's municipal water systems are in desperate need of attention, and the dangers — and costs — will only get worse the longer that it is ignored.

If left unrepaired, Louisiana's failing water infrastructure will have dire consequences for the state's businesses, many of which rely heavily on water to perform their daily operations. Louisiana agriculture produces \$3.8 billion worth of economic impact every year, with 28,083 independent farms operating in the state. Louisiana's brewing industry produces over 200,000 barrels of beer and \$646 million in economic impact every year. Agriculture and brewing are both water-intensive industries, and as long as Louisiana's water infrastructure is neglected, these pillars of Louisiana's economy are at risk.

Private businesses and government leaders can both take common-sense action to restore America's safe, reliable water infrastructure. We can:

- **Increase human capital** in the water infrastructure industry. Upgrading America's water infrastructure will require increasing investment human capital. Funding is needed to train outreach staff, technical science providers, planners, watershed coordinators, designers and construction teams. A successful watershed project requires the same blueprints, structuring, supervision and trained labor of any major construction project, and requires the same investment in these resources. An investment of \$188.4 billion in water infrastructure over the next years will generate \$256.6 billion in economic activity and create nearly 2 million jobs nationwide. This could prove enormously beneficial to Louisiana: Currently, 2,390 people in the state are already employed by utility and wastewater treatment facilities, and investing in human capital to provide an efficient water infrastructure will increase these numbers.
- **Expand availability and increase transparency** and accountability for the Clean Water State Revolving Fund. The Clean Water State Revolving Fund, a state-federal partnership administered by the EPA, provides low-interest

loans for water infrastructure projects. The program can fund infrastructure efficiency, extensions to underserved communities, construction of treatment plants, or lead removal. Increasing the EPA's annual grant size would allow more investment in water infrastructure; especially vital to Louisiana as businesses use water from the Mississippi River and the Gulf every day. The Louisiana Department of Environmental Quality administrator of the state revolving fund, must broaden eligibility and improve transparency in financing these essential loans.

- **Restore and rebuild** Louisiana's man-made coastal infrastructure through the Clean Water State Revolving Fund. The Louisiana coast is home to the region's oil, fishing, and shipping industries, but severe storms have damaged the state's coastal infrastructure. The state's catastrophic floodings are well known, and the National Climate Assessment finds Louisiana will suffer billions of dollars in increased disaster costs as early as 2030 from the combined effects of a changing climate. Engineered structures (dams, reservoirs, canals, drainage ditches, wastewater treatment plants and irrigation systems) need attention; levees, floodwalls and gates must be restored; and building codes must be reformed to reflect current realities.

A great example of infrastructure refurbishing is now being implemented on the West Bank of New Orleans. The project provides for the repair or new construction of over 90 miles of levees and structures, which will provide protection to New Orleans for the next 100 years. This project is spearheaded by the Coastal Protection and Restoration Authority. Additional projects throughout Louisiana should be funded through state-provided grants from the Clean Water State Revolving Fund.

- **Restore Louisiana's natural water infrastructure.** Destruction of wetlands has aggravated severe storms' impact to catastrophic levels, and we need to invest in conserving and restoring them. Wetlands, mangroves and floodplains are effective, valuable natural infrastructure elements that protect us if we protect them. Natural water infrastructure also helps to mitigate water quality issues at a low cost and enhances ecosystem services.

Some U.S. cities have already saved up to 60% on the cost of revitalizing water infrastructure by restoring natural infrastructure. The Coastal Protection and Restoration Authority's projects to restore, enhance and create vegetated wetlands in Louisiana are a sound investment and deserve to be supported and expanded. ★



AMERICAN
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COUNCIL

The American Sustainable Business Council is a growing coalition of business organizations and companies committed to advancing market solutions and policies to support a sustainable economy. ASBC and its organizational members represent more than 250,000 businesses and more than 325,000 business leaders across the U.S.

To take action on clean water issues, please visit asbcouncil.org