

RPTR SCHWALM

EDTR KRON

RELIABLE WATER IN THE DIGITAL AGE: EXAMINING LEGISLATION TO STRENGTHEN DRINKING
WATER SYSTEMS AND PROTECT RATEPAYERS

THURSDAY, SEPTEMBER 3, 2026

House of Representatives,
Subcommittee on Environment,
Committee on Energy and Commerce,
Washington, D.C.

The subcommittee met, pursuant to call, at 9:00 a.m., in Room 2123, Rayburn House Office
Building, Hon. Gary Palmer [chairman of the subcommittee] presiding.

Present: Representatives Palmer, Crenshaw, Latta, Griffith, Carter of Georgia, Joyce, Weber,
Pfluger, Langworthy, Evans, Fedorchak, Guthrie (ex officio), Tonko, Ruiz, Peters, Barragan, Soto,
Auchincloss, Menendez, Landsman, and Pallone (ex officio).

Staff Present: Ansley Boylan, Director of Operations; Byron Brown, Chief Counsel; Jessica
Donlon, General Counsel; Sydney Greene, Director of Finance and Logistics; Megan Jackson, Staff
Director; Joel Miller, Deputy Staff Director; Ben Mullaney, Press Secretary; Ryan Murphy, Director of
Member Services; Seth Ricketts, Clerk; Chris Sarley, Member Services/Stakeholder Director; Katie
West, Press Secretary; and Katharine Willie, Senior Counsel; Timia Crisp, Minority Professional Staff
Member; Waverly Gordon, Minority Deputy Staff Director and General Counsel; Tiffany Guarascio,

26 Minority Staff Director; Anthony Gutierrez, Minority Professional Staff Member; Caitlin Haberman,
27 Minority Staff Director, Environment; Serena Klebba, Minority Intern; Brendan Lopez, Minority Press
28 Assistant; Emma Roehrig, Minority Staff Assistant; and Kylea Rogers, Minority Policy Analyst.

29
30 Mr. Palmer. The subcommittee on environment will now come to order. I now recognize
31 myself for 5 minutes for an opening statement.

32 Good morning. I want to welcome the subcommittee Ranking Member Tonko, my
33 colleagues, and our witnesses today to today's hearing before the Subcommittee on Environment.

34 Today's hearing provides a time and an important opportunity to examine legislation that
35 would reauthorize critical drinking water programs and address the growing water infrastructure
36 demands associated with data centers.

37 Congress enacted the Safe Drinking Water Act in 1974 to protect the quality of our Nation's
38 drinking water. Since then, Congress has periodically amended the act and reauthorized its
39 programs to address emerging needs and challenges.

40 Most notably, the 1996 amendments established the Drinking Water State Revolving Fund, or
41 DWSRF, which has become the primary source of Federal investment and drinking water
42 infrastructure.

43 One of the discussion drafts that we will consider today, the Safe Drinking Water
44 Infrastructure Improvement Act of 2026, would reauthorize the DWSRF and includes a number of
45 bipartisan priorities, including support for rural and smaller water systems, a program to provide
46 point-of-use filters for drinking water systems at schools, and new authority to address cybersecurity
47 risk.

48 We will continue to discuss these policy reforms and appropriate funding authorizations with
49 our friends across the aisle as we also work with other colleagues in the House and in the Senate on a
50 final water infrastructure bill.

51 In addition to reauthorizing these programs, we will examine legislation intended to protect
52 ratepayers with costs associated with local water systems serving data centers and whether centers
53 can have positive effects on local communities.

54 They are major drivers of investment, economic growth, job creation, the development of our
55 Nation's digital infrastructure. However, those benefits should not come at the expense of families
56 and small businesses through higher water rates.

57 In my district, QTS has announced a \$15 billion investment in data center development,
58 creating a significant opportunities for economic growth, job creation, and digital infrastructure
59 development across Alabama. At the same time, local families and businesses should not be forced
60 to shoulder infrastructure costs that are directly attributable to these facilities.

61 Many major tech companies have also committed to reducing or replenishing their water use.
62 Companies are investing in closed-loop systems, liquid cooling, and other technologies intended to
63 reduce the reliance on evaporative cooling. We should recognize and encourage these innovations,
64 while continuing to ensure that communities and ratepayers are protected.

65 The two pieces of draft legislation on today's agenda, the Safe Drinking Water Infrastructure
66 Investment -- Act of 2026 and the Water Cost Accountability Act, would together support continued
67 economic growth by strengthening our Nation's drinking water infrastructure.

68 To assist us in these efforts, we welcome three witnesses today.

69 First, we have Mr. Neil Bradley, executive vice president, chief policy officer, and head of
70 Strategic Advocacy at the U.S. Chamber of Commerce.

71 We are also joined by Ms. Mae Wu, founder and principal of Health and Environmental
72 Advising.

73 Finally, we will hear from Ms. Julie Moore, secretary of Vermont Agency of Natural Resources
74 and vice chair of the Water Committee for the Environmental Council of the States, or ECOS.

75 I thank each of our witnesses for appearing before the subcommittee today, and I look
76 forward to our discussion.

77 I now recognize the ranking member of the subcommittee, the distinguished gentleman from
78 New York, Mr. Tonko, for 5 minutes, for an opening statement.

79 [The statement of Mr. Palmer follows:]

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83 Mr. Tonko. Thank you, Mr. Chair.

84 And today, we will consider two discussion drafts proposed by the majority.

85 The Safe Drinking Water Infrastructure Improvement Act would reauthorize several important
86 existing programs. For the most part, these programs were last reauthorized as part of the
87 Infrastructure Investment and Jobs Act of 2021.

88 The IJIA provided historic levels of funding to tackle our most pressing drinking water needs,
89 including aging infrastructure, lead pipe replacement, and PFAS.

90 But even with these historic investments, our water systems' needs are staggering. Without
91 a serious, maintained Federal financial commitment, our constituents will feel the consequences of
92 deteriorating infrastructure in rising water costs.

93 The EPA's most recent needs survey assessed that water systems will require some
94 \$625 billion in infrastructure investments over the next 20 years to maintain safe operations.

95 So, as we approach the end of the IJIA authorizations and supplemental funding, we should
96 recognize the great work that has been accomplished due to these investments and strive to
97 continue these efforts. The majority's proposal could potentially be the start of that discussion.

98 For many of SDWA's smaller programs, we could quibble over modest changes to the
99 authorization levels. But generally, these extensions are good.

100 The majority has also proposed adding heightened emphasis on cybersecurity to some of
101 these programs. This is a sensible change. We know water systems are facing increasing cyber
102 attacks, and many systems, especially smaller ones, lack the capacity to be able to prepare and
103 respond to any threats.

104 So, while we may be able to reach agreement on these provisions, unfortunately, the
105 discussion draft falls far short in some critical areas. First, it would devastate the Drinking Water
106 State Revolving Fund, reducing the authorization level by over \$2 billion annually compared to this

107 year's level. This is completely unacceptable.

108 We have heard so much testimony about the importance of this program, as well as the
109 significant needs in the years ahead. I personally believe we should provide more funding to the
110 SRF, but I would hope we could at least compromise by maintaining current levels.

111 Second, the proposal fails to reauthorize the Public Water System Supervision grant program,
112 which provides funding to State governments to help enable their administration of SDWA.

113 The success of cooperative federalism depends on States having the capacity and the
114 resources to carry out the requirements of the law, and this program is essential to that.

115 Without addressing these two issues, I unfortunately will not be able to support this proposal.

116 Today, we will also consider the majority's Water Cost Accountability Act.

117 I want it to be clear that I strongly support data centers paying the full cost of any water
118 system upgrades or operations that they are responsible for. I do appreciate that we have
119 identified some bipartisan consensus to ensure data centers do the same for their electricity use
120 through the Ratepayer Protection Act.

121 But State utility commissions do not typically regulate the rates of not-for-profit public water
122 systems in the same way as investor-owned electric utilities.

123 So, while I hope almost all of us can support the intent of the bill, I have questions about the
124 approach taken in this draft. If we are serious about making data centers pay their fair share, I
125 would like us to work together to make certain this legislation can withstand legal scrutiny and be
126 implemented effectively.

127 I appreciate the majority's interest in addressing water affordability by protecting Americans
128 from data center-related water cost, but data centers are not the only reason that millions of
129 Americans are struggling to pay their water bills.

130 According to EPA, between 12- and 20 million U.S. households lack affordable access to water
131 services. And I can guarantee that if Congress reduces Federal funding to support water

132 infrastructure, these affordability challenges will get even worse.

133 Maintaining or even increasing funding levels for the SRF should not be ignored as
134 foundational to protecting Americans from increases to their water bills, but I also suggest that we
135 should go a step forward by enacting a permanent water affordability program similar to LIHEAP.

136 Ranking Member Pallone and I proposed a version of such a program in 2024, and I would
137 urge the committee to consider it.

138 Again, I would like to thank the majority for holding this hearing. I hope we can work
139 together to build upon the success of the IJA and advance bipartisan legislation to ensure safe,
140 reliable, and affordable drinking water for all Americans.

141 And with that, Mr. Chair, I yield back.

142 [The statement of Mr. Tonko follows:]

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146 Mr. Palmer. Thank the gentleman.

147 I now recognize the chairman of the full committee, the gentleman from Kentucky, Mr.

148 Guthrie, for 5 minutes for an opening statement.

149 The Chair. Thank you, Chairman Palmer. Thank you for holding this hearing, and to our
150 witness for being -- we appreciate you being here.

151 This committee has led the way in advancing policies that support economic growth and
152 protect our environment while ensuring the United States wins the race against AI dominance over
153 China.

154 Today, we will be considering two pieces of draft legislation.

155 The first is a bill to reauthorize the Safe Drinking Water Act programs and provide continuing
156 investment in our Nation's drinking water infrastructure, as well as expand cybersecurity protections.

157 The second bill, the Water Cost Accountability Act, would ensure that data centers, which are
158 necessary to support our modern economy and win the AI race, are the ones responsible for paying
159 the costs associated with connecting to public water systems.

160 The rapid growths of data centers has sparked an important conversation across the country.
161 This subcommittee has worked on legislation to support locating data centers at brownfield sites,
162 where there is already power and water infrastructure. But, ultimately, these decisions are up to
163 local communities and the companies that want to make these investments.

164 In my district, in Hancock County, one company is making a \$4 billion investment to
165 repurpose a former, just-kind-of-sitting-empty smelter into a data center campus. So, this
166 brownfield site is not generating economic revenue for the county. It is expected to bring
167 significant resources to the local schools and the growing regional economy when this takes place.

168 Every community should be able to choose whether data center development is right for
169 them. Those decisions and the negotiations that come with them should remain where they

170 belong, at the local level. This bill does not dictate those decisions to move forward. It simply
171 provides an important protection for consumers.

172 Today's discussion draft simply ensures a level of accountability that will lead to even further
173 growth and development.

174 I look forward to hearing from our witnesses. And I yield back.

175 [The statement of The Chair follows:]

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179 Mr. Palmer. The gentleman yields.

180 I now recognize the ranking member of the full committee, the gentleman from New Jersey,
181 Mr. Tonko, for 5 minutes for an opening statement.

182 Mr. Pallone. Who me? Oh, okay. I am sorry.

183 Mr. Palmer. Yeah. Whatever.

184 Mr. Pallone. Thank you, Mr. Chairman.

185 Americans are concerned about what data centers and Big Tech's push for more AI means for
186 the communities, jobs, property values, and future. Electricity prices are skyrocketing, the electric
187 grid is strained, our clean air and water are being polluted, and noise is wearing on communities'
188 health and patience.

189 And people are just sick and tired of corporate special interests and Big Tech billionaires
190 taking over their neighborhoods and threatening their utility bills, their air, their water, and their
191 property. And, unfortunately, these very real concerns are repeatedly swept to the sidelines,
192 minimized, or ridiculed by President Trump and even Republican congressional leaders.

193 Earlier this week, Trump posted on social media that communities that oppose data centers
194 must "want to end up being backwards and poor." Well, again, I think I am kind of repeating what
195 Alex Ocasio-Cortez said, but if Trump supports data centers so much, he should support building one
196 in Mar-a-Lago, in my opinion.

197 Meantime, here on Capitol Hill, Speaker Johnson and Republican Majority Leader Scalise have
198 refused to bring up the Ratepayer Protection Act that passed unanimously out of this committee in
199 July. They cite concerns from Republican members.

200 Imagine that the House Republican leadership not wanting to support a bill that helps to
201 ensure Big Tech pays for the energy these data centers consume. We will see whether they will
202 support the bill that we are considering today once it gets out of committee.

203 But that is the reality we are living in right now, where Trump and House Republican leaders
204 want to continue to give Big Tech free rein to build data centers with no Federal guardrails. And
205 that is the reality as we discuss the Water Cost Accountability Act.

206 While, I support the intent of this bill to ensure ratepayers are not shouldering the cost of
207 data centers, it is woefully inadequate to address the environmental concerns of data centers.

208 This is the Environment Subcommittee, and we should be considering the real, detrimental
209 impacts that data centers are having on communities around the Nation. We are seeing data
210 centers running on dirty diesel generators that drive up pollution, all while the Trump administration
211 runs roughshod over the Clean Air Act.

212 And then we see Trump's friends, like Elon Musk, they don't -- they don't care at all. They
213 are not accountability at all.

214 There are reports of data centers being approved without any analysis of their water use,
215 even in water-stressed communities.

216 And now, EPA is even to fast-track the approval of chemicals like new PFAS for use at data
217 centers, putting our drinking water and the health of Americans at risk.

218 So, we need real, substantial Federal guardrails in place to restrict their impact on air, our
219 water, our power grid, and in our monthly utility bills. If Congress fails to adopt strong Federal
220 guidelines, then a Federal moratorium on data centers should be put in place.

221 We are also considering the Safe Drinking Water Infrastructure Improvement Act, the
222 discussion draft that would reauthorize several drinking water programs at the EPA. Unfortunately,
223 this draft proposes drastic funding cuts for several grant programs that help communities access safe
224 and affordable drinking water, including a \$2 billion proposed cut to the Drinking Water State
225 Revolving Fund, or SRF.

226 The SRF is our main Federal funding source for drinking water projects and helps water
227 systems pay for capital improvements.

For far too long our aging water infrastructure has been underfunded. And while the bipartisan infrastructure law provided historic investments to address our infrastructure challenges, that funding was just a downpayment on the \$625 billion needed over the next 20 years, and the Republican draft fails to address this need.

So, communities around the Nation live with the consequences of this underinvestment, from legacy-led service lines in my home State of New Jersey to the sewage pipe break right here in Washington, D.C.

It is time we must bring our water infrastructure into the 21st century. That means helping water systems prepare for and adopt for our changing climate and increasing cyber threats; considering ways to promote energy efficiency and conserve water; removing all lead service lines once and for all; and protecting communities from dangerous contaminants, like PFAS, that are plaguing our water systems.

We also need a permanent water assistance program at EPA to ensure that all Americans can afford their water bills.

While this draft does include provisions I support -- such as reauthorizing resources for cyber resiliency, grant programs that help remove lead from drinking water, and programs that help small and disadvantaged communities comply with Safe Drinking Water requirements -- it falls far short of the current need.

I did want to say, when I saw the secretary from the Vermont Agency of Natural Resources, I started my political career when I was at Middlebury College, and we started in environmental organization. And one of the things we did -- I won't say what year it was -- was we were deputized to go out and test the streams to see if they were contaminated because there was raw sewage at the time. And we went to Ferrisburgh and Shelburne, in that area, and it kind of, you know, piqued my interest in the environment, so I wanted to mention that.

I yield back, Mr. Chairman.

253 [The statement of Mr. Pallone follows:]

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257 Mr. Palmer. We now concluded with member opening statements.

258 I would like to remind members that, pursuant to the committee rules, all members' opening
259 statements will be made part of the record.

260 We want to thank our witnesses for being here today and taking the time to testify before the
261 subcommittee. The witnesses will have the opportunity to give an opening statement, followed by
262 a round of questions from members.

263 Our witnesses today are Neil Bradley, executive vice president, chief policy officer, and head
264 of Strategic Advocacy, U.S. Chamber of Congress; Mae Wu, founder and principal, Health and
265 Environmental Advising, LLC; and Julie Moore, secretary, Vermont Agency of Natural Resources, and
266 vice chair, Water Committee, Environmental Council of States. We appreciate all of you being here
267 today.

268 I now recognize Mr. Bradley for 5 minutes to give an opening statement.

269 **STATEMENTS OF NEIL BRADLEY, EXECUTIVE VICE PRESIDENT, CHIEF POLICY OFFICER, AND HEAD OF**
270 **STRATEGIC ADVOCACY, U.S. CHAMBER OF COMMERCE; MAE WU, FOUNDER AND PRINCIPAL,**
271 **HEALTH AND ENVIRONMENTAL ADVISING, LLC; AND JULIE MOORE, SECRETARY, VERMONT**
272 **AGENCY OF NATURAL RESOURCES, AND VICE CHAIR, WATER COMMITTEE, ENVIRONMENTAL**
273 **COUNCIL OF STATES**

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275 **STATEMENT OF NEIL BRADLEY**
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277 Mr. Bradley. Chairman Guthrie and Palmer, Ranking Members Pallone and Tonko, and
278 members of the subcommittee, thank you for the opportunity to testify on behalf of the U.S.
279 Chamber of Commerce.

280 The U.S. Chamber has called on policymakers to prioritize policies that can help our Nation
281 achieve sustained, 3 percent-plus annual real economic growth.

282 This reflects a simple truth: Growth is not an abstract idea.

283 At 3 percent growth, an economy doubles in size in roughly 23 years. That means more
284 jobs, higher wages, stronger communities, and more opportunities for families and business in every
285 region in the country.

286 Reliable water is essential to economic growth. It supports public health, powers
287 communities, enables manufacturing, sustains energy production, underpins agriculture and
288 healthcare, and increasingly supports the digital infrastructure that modern businesses and
289 consumers depend on everyday.

290 Today's hearing is timely because the Nation is at an important inflection point. Demand for
291 digital services, cloud computing, artificial intelligence, and other data-intensive technologies is
292 growing rapidly.

293 Data centers are the backbone of that economy. They enable the tools to help small

businesses reach customers, hospitals manage patients, manufacturers optimize production, energy companies operate more efficiently, and consumers access the services that are now a part of all of our daily lives.

The question before policymakers is not whether America will need more digital infrastructure. We will. The question is whether that infrastructure will be sited, permitted, built, and operated here in the United States in a way that strengthens communities, protects ratepayers, addresses local concerns, and advances America's economic and technological leadership.

The Chamber believes that the answer to that question can and must be yes.

We understand and appreciate the concerns that are being raised across the country around data center development, including with respect to water use. It is imperative that communities have confidence that their concerns will be heard and addressed.

For data centers, that begins with early engagement among project developers, local governments, utility providers, and residents.

Responsible siting should include careful assessment of water availability, system capacity, alternative resources, and affordability concerns.

Protecting ratepayers must be a core principle of water infrastructure policy. Household and small business customers should not bear an unfair burden or cost from economic development projects. This is true whether the project happens to be a data center, a manufacturing facility, a golf course, or an agricultural enterprise.

At the same time, policymakers should recognize that large economic development projects can bring investments at such a scale that they improve the operations and financial viability of local utilities. Blocking or delaying needed infrastructure can raise costs by discouraging investment and leaving communities dependent on outdated systems.

It is also important to understand that the stories one may hear about the data centers of even a few years ago do not describe the data centers of today. Thanks to technological

innovation, data centers and other large-scale water users have been able to greatly improve their water efficiency.

Continued innovation and deployment of new technologies can extend this trend. Industrial water reuse is one of those most promising tools available. Federal policy should support wider deployment of reuse technologies, including through investment incentives.

Finally, it is important to consider what will occur if, as a Nation, we fail to build the infrastructure necessary for the digital economy of the future.

A lack of data centers will not reduce the demand for artificial intelligence, cloud storage, or streaming services. It will only mean the demand will exceed supply.

Economics 101 teaches us that when that occurs, prices rise.

Small businesses and working families could, in the very near future, find that the tools that they need to become more efficient and grow their businesses or to prepare for the jobs of the future are simply unaffordable -- a new digital divide, if you will, that I am certain none of us want to see.

Further, America's competitors are not standing still. The countries that lead in artificial intelligence, cloud computing, and quantum technologies will shape the rules and economic opportunities of the future.

People have honest question and concerns about the impact of data centers on their own community, including on their water bill. The good news is that the answers to these questions should give everyone confidence that we can build the infrastructure we need in a way that helps, not hurts, local communities.

I look forward to taking your questions.

[The statement of Mr. Bradley follows:]

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345 Mr. Palmer. Thank you.

346 I now recognize Ms. Wu for your testimony.

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348 **STATEMENT OF MAE WU**

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350 Ms. Wu. Good morning.

351 Chairman Guthrie, Chairman Palmer, Member Pallone, good morning -- thank you -- and

352 members of the subcommittee.

353 My name is Mae Wu. I am a former deputy assistant administrator at EPA's Office of Water,
354 and I have worked on drinking water issues for 20 years. And I appreciate the opportunity to testify
355 today.

356 Safe drinking water is fundamental to public health, to strong communities, to everyday life.

357 Americans have enough to worry about: putting food on the table, paying their bills,
358 keeping their families healthy and safe. They should be able to turn on the tap in their homes and
359 trust that the water will come out and that what comes out is safe.

360 Water systems cannot meet this promise alone. They need a strong and sustainable Federal
361 partner, and Congress has the opportunity, right now, to provide that support.

362 You know, my good friend just visited San Juan, and where he stayed, the water was only
363 turned on for 45 minutes three times a day. So, if you missed the window and turned the tap on at
364 8:05 a.m., nothing comes out.

365 So, due to the convergence of the extreme drought conditions in San Juan and their aging
366 water infrastructure, everyday, hundreds of thousands of people have to calculate how much water
367 to use and when to use it for drinking, for making baby formula, for cooking, for cleaning, for flushing
368 the toilet.

369 It is 2026, and we are rationing water in the U.S.

370 And what is happening in San Juan is something that Americans should never have to go
371 through. But right now, almost half of the U.S. is experiencing drought, affecting almost a hundred
372 million people, and many of these same communities also have drinking water infrastructure that is
373 at or nearing the end of its useful life.

374 You know, just here in D.C., we only have a 1 to 2 day buffer in available drinking water in
375 storage. So, a sewage spill -- like with the Potomac Interceptor -- upstream of our drinking water
376 intake or a bad drought means that we could be rationing water, like they are in San Juan, too.

377 So, over the next 20 years, we will need somewhere between \$625 billion up to, potentially,
378 \$1.6 trillion to modernize and make water infrastructure secure.

379 And even with the significant infusion from the bipartisan infrastructure law, Federal funding
380 for drinking water infrastructure has not kept up with the need.

381 As a result, more local funds are being used, and the cost falls to ratepayers and translates
382 into higher monthly water bills.

383 People served by small water systems often end up with higher monthly water bills because
384 the ratepayer base is so small. And bear in mind, 97 percent of all our water systems are
385 considered small systems in the U.S. So, more Federal and State funding would relieve the pressure
386 on many local governments and their residents.

387 The Drinking Water SRF is considered one of the most effective tools that Congress has ever
388 created to fund public investment in water infrastructure. And investing in water pays dividends,
389 both in protecting public health and in building community wealth.

390 In fact, for every \$1 invested, you generate about \$2.63 in economic output. That is more
391 than double.

392 So, cutting the SRF authorization in half will only hamstring States and utilities who are trying
393 to provide safe drinking water. And it sends a message that Congress is backing away from helping

Americans, especially those living in small, rural, and disadvantaged communities.

Instead, Congress should reauthorize the SRF to, at a minimum, 3.25 billion per year. But even better would be raising those levels to \$10 billion a year, which really only reflects about 10 percent of the total need, but would help make a dent in that need.

In addition, Congress should be creating a permanent, Federal low-income water assistance program.

The temporary program created in 2021 provided relief to 1.5 million people across almost every State in the Nation -- and nearly 17,000 utilities participated in that program, with almost half of those from small systems serving mostly rural communities.

This program provides a good model for how Americans -- how you can help Americans who need assistance to maintain drinking water access.

To protect families from lead, Congress should reauthorize the lead service line replacement funding at \$3 billion per year so cities can continue to remove and replace lead pipes.

Congress should also reauthorize the funding for emerging, contaminants, including PFAS, to at least 4 billion over 5 years, because removing PFAS and those types of chemicals from our drinking water will save thousands of lives and prevent tens of thousands of serious illnesses.

Water systems face a lot of challenges -- providing safe water in the face of severe weather, cyber attacks, increasing demand -- and they have to do it all while keeping bills affordable.

The challenges are complicated, but the answer is very simple and old-fashioned. It is funding.

Thank you, and I look forward to your questions.

[The statement of Ms. Wu. Follows:]

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419 Mr. Palmer. The chair recognizes Secretary Moore for opening statement.

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421 **STATEMENT OF MS. MOORE**

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423 Ms. Moore. Good morning, Chairman Palmer, Ranking Member Tonko, Chairman Guthrie,
424 and Ranking Member Pallone, as well as members of the subcommittee. Thank you for the
425 opportunity to testify today.

426 I am Julie Moore, secretary of the Vermont Agency of Natural Resources and vice chair of the
427 Water Committee at ECOS, the Environmental Council of the States, which represents environmental
428 agencies in every State, D.C., and the territories. So, I bring the perspective not only of a small,
429 rural State, but also as a member of ECOS.

430 States are the primary implementers of the Safe Drinking Water Act's regulatory and funding
431 programs -- a partnership with EPA often called cooperative federalism -- and we are eager to work
432 on a bipartisan basis with the committee on both current challenges and those that lie ahead.

433 Timely reauthorization and strengthening of the Safe Drinking Water Act's programs,
434 especially the hugely successful Drinking Water State Revolving Fund, is a priority for ECOS and the
435 States. The pipes, treatment plants, people, and programs under the Safe Drinking Water Act
436 protect not only public health but the environmental and economic vitality of our communities, and
437 funding levels should be as robust as possible.

438 Aging infrastructure, lead, PFAS, and cyber attacks are putting enormous pressure on systems
439 and States. Funding needs to be sufficient and flexible enough to help address these challenges
440 without forcing communities and ratepayers into debt they cannot afford.

441 We encourage you to treat this bill's \$1.2 billion DWSRF reauthorization as a floor, not a
442 ceiling. This is fundamental for water affordability.

Water infrastructure funding demand continues to far outstrip supply, even after the largest Federal investment in a generation.

In Vermont, project demand this year is 185 percent of what it was in just 2021, in part because ARPA and IIJA signaled that substantial affordable capital was available for these projects.

Here's why continued, robust SRF funding matters right now: States sit between two obligations that are getting harder to reconcile. Communities are struggling to make infrastructure investments, and they need grants and loan forgiveness as part of this. But forgiven loans don't come back to the SRF to lend again, and so States have a fiduciary duty to protect the fund's long-term solvency.

Many States won't issue a loan if it pushes a system's rate above 1.5 percent of median household income because, at that point, default risk to the State's loan fund is real, which means often communities with the greatest need for infrastructure investment are being pushed towards a tool they really can't use.

Two forces are cutting into that grant capacity for States right now: the sunset of the IIJA supplemental funding and Community Project Funding, or "earmarks," which come off the top of SRF appropriations before States see the money. Earmarks have the practical effect of shrinking both the subsidy pool available for loan forgiveness and the set-asides that fund the State staff who provide direct technical assistance to the systems.

Every state is impacted, regardless of whether it receives earmarks. Nationally, that has cost roughly \$740 million in set-aside authority over the 3 most recent years. For Vermont, it is about \$2.5 million a year, which would have funded work like asset management plans for municipal water systems, leak detection work, and the evaluation of unknown service lines for lead.

It feels a little bit like a death spiral. The neediest systems get offered a tool they can't use, in the form of a loan, or get passed over to protect the SRF, while their infrastructure deteriorates and the eventual costs -- financial, environmental, and public health -- grow.

I urge this body to direct EPA to calculate set-asides on the pre-earmark allotment, a solution already extended to the Tribal set-aside. More fundamentally, CPF should be layered on top of the SRF appropriations, not deducted from them, so States can anticipate what they have to deploy each year as we work with communities to move their projects to implementation.

I will close on cybersecurity.

We welcome this bill's attention to it, and yet, the resilience funding is too small to harden the 52,000 community water systems nationwide.

And, frankly, capital is only half of the picture. Training, assessments, and emergency response planning really matter in this space, too.

We would urge a plus-up in dedicated State funding, as well as to EPA, for technical assistance, either provided directly or through the many outstanding groups that provide the support to small systems across the Nation.

We also encourage the committee to ensure EPA coordinates closely with States and other Federal agencies, such as CISA, in this priority area.

Thank you for the opportunity to testify this morning on behalf of Vermont ANR and ECOS, and I am happy to answer questions or follow up as needed.

[The statement of Ms. Moore follows:]

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490 [9:31 a.m.]

491 Mr. Palmer. Well, thank you all for your testimony.492 We will now move into the question-and-answer portion of the hearing. I will begin the
493 questioning and recognize myself for 5 minutes.494 Mr. Bradley, has the Chamber done any analysis of how investments in local infrastructure
495 projects support creation of investing manufacturing jobs across the country?496 Mr. Bradley. We have studied recent investments and what they have down to local
497 communities in terms of tax base, job creation, et cetera --498 Mr. Palmer. Could you --499 Mr. Bradley. -- longitudinals.500 Mr. Palmer. Could you provide that information for the record if you have that report?501 Mr. Bradley. Of course. Absolutely.

502 [The information follows:]

503

504 ***** COMMITTEE INSERT *****

505

506 Mr. Palmer. I appreciate that.

507 In regard to the water, there is a lot of discussion about the data centers, and I understand
508 that you are here to talk about that. How does the closed-loop systems, cooling systems that data
509 centers are employing impact the water resources demand and cost for local systems? Do you have
510 an idea about how that is?

511 Mr. Bradley. Yeah. Mr. Chairman, as I referenced in my opening statement, the data
512 centers of last year, of 5 years ago are not the data centers that are being deployed today.

513 Mr. Palmer. Right.

514 Mr. Bradley. In your question, you referenced one of the reasons that is the case.

515 Mr. Palmer. But have you done any kind of comparative analysis to compare other
516 developments, water usage, and other --

517 Mr. Bradley. Yes.

518 Mr. Palmer. -- infrastructure? Like, golf courses use an average to 100-, 110 million
519 gallons per year. It is all evaporative.

520 Mr. Bradley. Yes. You will see new data centers, like the one Microsoft just announced,
521 that uses less water from the system than the average golf course.

522 Mr. Palmer. Well, it takes -- for a medium-sized data center, it takes somewhere in the
523 range of 400,000 to a million gallons one time. For a hyperscale data center, it could take up to 25
524 million gallons, which would be a quarter of what a golf course uses in 1 year. But you fill it one
525 time. You never have to refill it, unless something catastrophic happens.

526 But shouldn't the data centers be required to pay for that?

527 Mr. Bradley. Absolutely. Data centers should be required for what they use out of the
528 system. By the way, that provides them a very strong incentive to innovate to reduce their use.
529 That is why they are moving to closed systems. That is why they are even, in many instances,

530 moving away from water -- the ability to cool in non-water liquids that can get recycled through a
531 system.

532 Mr. Palmer. In reading your testimony last night, I circled some things that I think you are
533 referencing a value proposition. Can you define that a little bit better?

534 Mr. Bradley. Absolutely. That when we think about -- these are economic development
535 projects, right? A data center is a large-scale economic development project that brings both
536 benefits to the community and costs.

537 Good economic development -- whether it is a data center or a manufacturing facility, an
538 office building -- generates more in economic activity for the community than what it costs.

539 When you look at data centers, that is what they are routinely doing. Loudoun County, not
540 far from here, \$26 in return to the county for every dollar of cost to the county.

541 Mr. Palmer. Now, I think there is more to it than that, and if -- if you have done any analysis
542 of what a data center actually provides in terms of the value proposition to the average citizen, if you
543 could provide that to the committee in writing, we would appreciate it.

544 [The information follows:]

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548 Mr. Palmer. Secretary Moore, we spent a good bit of money on specific water infrastructure
549 projects, rather than just providing the funds to capitalize State revolving loan funds. Can you
550 speak to how that such directed spending impacts the States as well as the long-term solvency of the
551 revolving funds?

552 Ms. Moore. Sure. So, there are critical investments being funded in water infrastructure
553 through earmarks in congressionally directed spending, but because those dollars come off the top of
554 the allocation that would otherwise come to the State Revolving Fund, they aren't returned to be
555 revolved again.

556 And so, we have seen -- or are estimating a long-term diminishment in Vermont alone of
557 about \$150 million of revolving loan capacity over the next 20 years, as a result of dollars going out
558 to communities as grants instead of loans.

559 I am happy to follow up with some additional detail on that if helpful.

560 Mr. Palmer. That would be very helpful.

561 I grew up in a rural area, and a lot of my district is rural. Can you talk about some of the
562 unique challenges rural areas face in developing and maintaining drinking water infrastructure, and
563 how this draft reauthorization bill can help?

564 Ms. Moore. Sure. We also are replete with rural systems in Vermont. And one of the
565 biggest challenges they face is a limited rate base -- ratepayer base in order to be able to finance that
566 work. So, the low-cost financing tools, as well as the ability to provide subsidies through the State
567 Revolving Fund program, are incredibly important.

568 We often see communities building complex funding stacks in order to be able to implement
569 a project at a price their ratepayers can afford -- seeking grants, working with the Northern Border
570 Regional Commission, in addition to moneys that are available through the State Revolving Fund.

571 Mr. Palmer. Thank you.

I now recognize the ranking member of the committee, Mr. Tonko, for 5 minutes for his questions.

Mr. Tonko. Thank you, Mr. Chair.

At past hearings I have raised my concerns about the impending funding cliff at the end of this year with the expiration of the IJA's supplemental funding.

There is a serious risk of going back to a time when fewer water systems can access funding to carry out long-overdue infrastructure and improvement projects.

So, Ms. Wu, do you share these concerns about what looks to be a drastic reduction in SRF money for the next fiscal year?

Ms. Wu. Yes, absolutely. We have a growing need. We don't need to cut back on funding at this point.

Mr. Tonko. In more specific terms, what would the loss of that money mean for water systems and their customers?

Ms. Wu. I mean, it just means a lot of the systems that need funding to be able to upgrade their infrastructure, to fix those leaking pipes, to fix those broken water mains won't be able to or have to put them off for longer, which means that their residents are at more risk for having contaminated water or, you know, break in their service.

Mr. Tonko. And so, given this impact, Ms. Wu, do you think it is appropriate that the Safe Drinking Water Infrastructure Improvement Act would reduce the SRF's authorization level by over \$2 billion annually?

Ms. Wu. No, I don't think it is appropriate.

Mr. Tonko. And, Ms. Moore -- and thank you, by the way, for informing me of your roots in Altamont, deep in the 20th congressional district, and the Guilderland school system. What about the needs in a State like Vermont?

Ms. Moore. Our systems are small. There are over 400 public water systems in the State

597 of Vermont, many of which are run by volunteers, volunteer boards, and they are incredibly
598 challenged to access the level of funding required to meet some of the modern Safe Drinking Water
599 Act requirements.

600 In addition, the technical assistance provided by the State is critical to their successful
601 implementation because they often lack the administrative capacity to support the complex projects
602 that really are integral to high-quality drinking water.

603 Mr. Tonko. So, we focused on these recent higher funding levels. What have those higher
604 levels allowed you to support in terms of projects that may not have happened otherwise?

605 Ms. Moore. They have been enormously impactful on the ground in Vermont. We have
606 been able to use ARPA dollars, to great effect, in terms of supporting manufactured housing
607 communities and low-income Vermonters with private wells and septic systems, and combined that
608 with high levels of investment through the Drinking Water SRF into some our smallest and most rural
609 systems.

610 The increased capacity for loan forgiveness has really helped move those projects forward.

611 The average community in Vermont has fewer than 2,500 residents, and often the rate base
612 for these systems is less than 400 connections. So, the ability to provide subsidy and loan
613 forgiveness is critical.

614 Mr. Tonko. Thank you.

615 And I also mentioned that the majority's proposal does not reauthorize the Public Water
616 System Supervision grant program.

617 Again, Ms. Moore, can you explain the importance of this program, and how do these Federal
618 resources help a smaller States like Vermont fulfill its Safe Drinking Water Act requirements?

619 Ms. Moore. Sure. As I indicated, oftentimes our communities are relying on the State to
620 provide that technical assistance and support to them in evaluating needed projects and helping
621 understand what work needs to be completed by what timeframe.

PWSS grants coupled with the set-asides in the State Revolving Fund program fund our staff. We are really the technical experts that communities rely on in developing these projects, and so any reduction in that capacity means either communities will have to contract for that kind of support or may let that need go unfulfilled.

Mr. Tonko. Again, with a very small base of funding from the local level.

Ms. Wu, I am guessing that during your time at EPA, you worked with many State government partners. If we wanted to continue this model of cooperative federalism to implement our Nation's environmental laws, do you agree that Federal resources, such as the Public Water Systems Supervision grant program, are necessary to support State administrative capacity?

Ms. Wu. Yes, absolutely. The partnership between the States and Federal Government is so important to implementing the Safe Drinking Water Act appropriately. And so, you know, providing more funding for that is really important.

Mr. Tonko. Right.

And our drinking water challenges are getting more complicated through standards for emerging contaminants, cybersecurity, resilience planning, and aging workforce. States need to have sufficient and qualified staff to carry out this work and provide the best technical assistance possible to water systems.

I know Ms. Moore isn't alone in her views. The Association of State Drinking Water Administrators sent a letter to the subcommittee for the hearing record, stating, "Public Water System Supervision funding is the backbone of State implementation of the Safe Drinking Water Act. While infrastructure investments through the Drinking Water Safe Revolving Fund are essential, those investments cannot succeed without adequately staffed and resourced State programs." And that is direct from their letter.

I hope we can work together to make certain both the SRF and the State grants are reauthorized at levels that reflect the tremendous needs out there and challenges.

647 Mr. Chair, before I yield back, I ask that the letter I just cited from ASDWA -- along with four
648 other letters from systems, NGOs, and others supporting sustained Federal infrastructure
649 funding -- be entered into the record.

650 Mr. Palmer. Without objection, so ordered.

651 [The information follows:]

652

653 ***** COMMITTEE INSERT *****

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655 Mr. Tonko. Thank you.

656 And I yield back.

657 Mr. Palmer. The gentleman yields.

658 The chair now recognizes the gentleman from Kentucky, the chairman of the full committee,
659 Mr. Guthrie, for 5 minutes for his questions.

660 The Chair. Thank you, Mr. Chairman.

661 Thanks for being here.

662 And Secretary Moore, we have the same situation in Kentucky in some of my communities,
663 where probably 50, 60 years ago, we must have had a big bond issue or something, because we have
664 a lot of water plants, a lot of water lines that are at their breaking point. And now it is extremely
665 expensive, usually about \$40 million for a water plant.

666 So, we have low-cost loans. We are talking what you just said, subsidies. And then, most
667 of our congressional-directed projects. It's just not enough money to do them as quickly as we
668 need to do them. And so, the problem is the shrinking load of the people requiring in rural part of
669 Kentucky.

670 And it just seems like maybe the data centers, in a way, can be a benefit. So, they come in,
671 and they don't use as much water as they used to, but it brings a new load that can, one, pay their
672 cost to hook up -- they should pay for everything they do -- but also share in this, the general
673 maintenance. And their rates should help. If you have a small community, and then the data
674 center uses as much water as the rest of the community combined, that seems like that would share
675 the cost.

676 Do you feel that is possible in Vermont as well?

677 Ms. Moore. I think the scale of our small communities is such that a data center would
678 simple dwarf the water usage by that existing community. Generally, our systems have, I believe,

679 an average of 400 or fewer connections. So, we are talking very small systems.

680 The Chair. But if you got to build a -- that is my point. So, if you got to build a \$40 million
681 water plant for 400 people, their rates would be astronomical. But if you got 400 people and a user
682 that is also going to help pay for that, it actually can make it cheaper for them. Right?

683 Ms. Moore. It could be. I mean, I think there is a lot of "it depends" in that setting. And
684 just the -- my familiarity with the water supplies, often which are groundwater based, it may not
685 have the capacity to actually support the --

686 The Chair. Well, every community has to make the decision. But if you had -- the bigger
687 the load in a water system, in general -- whether it is a data center or not -- usually, it is cheaper per
688 person in the system. Right?

689 Ms. Moore. Correct. There is some amount of fixed costs, and so having a larger user base
690 in a water system has value in bringing down the average cost to individual users.

691 The Chair. That is what the problem is.

692 So, Mr. Bradley, do you want to comment on that as well?

693 Mr. Bradley. I think that is exactly right, Mr. Chairman. Whether it is a data center or a
694 manufacturing plant or a large aggra enterprise, having a large user provides scale, which happens to
695 be particularly important for --

696 The Chair. It has to be environmentally sound. It has to make sure other people aren't
697 sharing their direct costs, but it does give scale.

698 Mr. Bradley. It provides scale. And you are already seeing this even in electric utilities, for
699 example.

700 In Indiana, last week, it was announced that the utilities were reducing by 5 percent the
701 average electric utility charge, directly attributable to the fact that they cover more of their fixed
702 costs with data centers. And so, whether it is a data center or another large-scale user, it can help
703 solve our problem.

704 The Chair. So, Secretary Moore, also, in my area, we have everybody is worried about cyber
705 attacks. You got these -- I have a lot of small water systems. So, you have cyber attacks, and the
706 other thing is just the aging workforce. I think you see it a lot, particularly, in our water systems
707 for -- or our public utility systems, particularly our water systems.

708 I know -- I think Vermont must experience -- rural America is experiencing that, so I think we
709 share that.

710 So, how does the draft legislation address these issues, and what can be done to improve
711 cybersecurity and work for development?

712 Ms. Moore. Certainly, the attention the bill pays to cybersecurity is welcome. We often
713 joke in Vermont that our biggest line of defense is the fact that many of our smallest water systems
714 aren't actually hooked up to the internet, and that is their primary defense mechanism. And that is
715 not a sustainable solution, clearly.

716 So, continuing to make strategic investments in cybersecurity, not just in the physical
717 infrastructure but in the training for those water operators, is critical.

718 And I agree, we are facing a gray tsunami when it comes to the folks operating our water and
719 wastewater systems statewide, as well as across the country.

720 Vermont has partnered with the U.S. Department of Agriculture Rural Development to create
721 an apprentice program that is being administered by Vermont Rural Water. It is something that is
722 seeing great success. We understand that -- that funding may ultimately be reduced, which would
723 be unfortunate, but we have been able to place upwards of a dozen, at this point, new staff into key
724 systems around the State where they had actually had gaps in coverage in terms of certified
725 operators.

726 The Chair. Thank you. And I will just close with, just like beautiful, rural Kentucky,
727 Vermont is a stunningly beautiful place, and enjoy visiting. And thank you for being here.

728 And I will yield back.

729 Mr. Palmer. The gentleman yields.

730 The chair now recognizes the ranking member of the full committee, Mr. Tonko, for 5 minutes
731 for his questions. I mean, Mr. Pallone.

732 Mr. Pallone. Thank you, Mr. Chairman. I figured it was because --

733 Mr. Palmer. I don't have the authority to promote anybody, but I do promote you, sir.

734 Mr. Pallone. Thanks a lot.

735 I wanted to say that the Safe Drinking Water Act tasks EPA, States, and water systems to work
736 together to provide safe drinking water. Often, these projects -- like replacing lead service lines or
737 fixing leaky pipes and cleaning up PFAS contamination in water -- could be costly. However,
738 investments in our drinking water are critical to public health and the functioning of our economy.

739 So, in witness testimony, we see broad agreement on the importance of reliable water and
740 the need for sustain and strengthened investments in our infrastructure. And I agree, because
741 water is critical to every aspects of our lives.

742 Unfortunately, Federal investments have not kept pace with the need.

743 So, I have three questions of Ms. Wu. I would like to get to all three.

744 First is, if we continue to underfund the State Revolving Fund and drinking water
745 infrastructure projects, what does that mean for American families?

746 Ms. Wu. It means that their monthly bills could be going up to pay for water if they can
747 afford them. It means that they risk that the water coming out of their tap may not be as safe as
748 they want it to be. It means sometimes they may turn on the water and -- they may turn on the tap
749 and water doesn't come out. There is a lot of risk there.

750 Mr. Pallone. All right. And I agree, obviously. That is why I fought hard -- and I think we
751 all did -- for the bipartisan infrastructure law, you know, for the SRF, and targeting funding to address
752 lead and PFAS contamination.

753 But instead of sustaining these investment from the bipartisan infrastructure law, this

754 Republican discussion draft would dramatically cut the SRF. And Americans are already struggling
755 with the cost of basic necessary, and they are seeing their water bills increase significantly, and I
756 think they are going to suffer the consequences of these cuts that are in the draft.

757 But my second question, Ms. Wu: Some suggest that rolling back drinking water protections
758 would make water more affordable. Do we need to compromise on drinking water standards to
759 provide safe, affordable water to communities?

760 Ms. Wu. No, absolutely not. It shouldn't be a two-tiered system; if you can afford the
761 water, you get cleaner water.

762 Everybody should have safe, affordable water. And, you know, it is an important part of just
763 protecting public health, is making sure that the water that comes out doesn't have PFAS; or your
764 pipes aren't delivering lead, so that your kids could have a better shot at, you know, a good, healthy
765 future; and that you aren't dealing with more medical bills because somebody in your family has
766 gotten cancer, or somebody there has a, you know, heart disease or lung disease caused by these
767 contaminants.

768 Mr. Pallone. All right. Thank you.

769 And then my third question is, when thinking through ways to address the affordability
770 challenges facing Americans, could a permanent water assistance program play a role, as we have for
771 some other --

772 Ms. Wu. Yes, absolutely. I think the temporary program that was in place helped more
773 than a million families already, but it was temporary. And so, you know, a permanent one will go a
774 long way to helping all those families who are struggling with their monthly water bills.

775 Mr. Pallone. All right. I appreciate that.

776 You know, what I see happening with a lot of people is they are afraid to drink the water,
777 right? So, I mean, look at here today. We have got the bottles, right?

778 I still drink the tap water. Maybe I am crazy for doing it, but I still do.

779 And I do think it's -- you know, that we owe it to the American people to ensure they have
780 access to affordable and safe drinking water, and I hope we can work together towards a bipartisan
781 bill.

782 Obviously, Mr. Chairman, I have been critical of this draft, but it is only a draft. So,
783 hopefully, we can improve the levels of funding and address some of the concerns that the panel has
784 brought up today in terms of drinking water issues facing our country.

785 I mean, I know that even in my district, we have used the money from the bipartisan bill and
786 State sources of funding, you know, to remove lead pipes. A lot of the older -- a lot of the towns in
787 my district have had pipes that went back, you know, a hundred years or so, right? And so, it costs
788 a lot to replace them.

789 And that is why we need a more robust safe-drinking-water program. And this draft is
790 inadequate, but we still have time to improve it. And hopefully, we will do that on a bipartisan
791 basis.

792 Thank you. And I yield back, Mr. Chairman.

793 Mr. Palmer. They have called votes, and rather than recess, I want to be sensitive to people
794 being able to make their flights. So, we are going to continue the hearing. And I would encourage
795 members who are a little bit down the line for asking questions to go vote and come back. And we
796 will just keep the hearing going so that we can finish this in a timely manner and people can make
797 their flights.

798 The chair now recognizes the gentleman from Georgia, Mr. Carter, for 5 minutes for his
799 questions.

800 Mr. Carter of Georgia. Thank you, Mr. Chairman. And thank all of you for being here.
801 Extremely important subject.

802 You know, I have the honor and privilege of representing the entire coast of Georgia, and we
803 have been very successful in economic development and attracting new investment in Georgia.

804 Thirteen years in a row, number one State in which to do business. So, we are very proud of that,
805 and we have worked hard at that.

806 Look, data centers are a concern. And I believe that data centers can be very good for our
807 communities. They can bring major private investment, they can create jobs, they can strengthen
808 the tax base, and they can create new opportunities for local workers and businesses.

809 But -- but -- the projects that are going to be successful over the long term are the ones that
810 operate as partners with the communities that host them.

811 I know this firsthand. In another life, I was a mayor. I recognize how important local
812 jurisdiction is. And I recognize that, and I encourage the data centers -- not after the fact, but
813 before the fact -- to please work with the local communities. This will help us all.

814 Georgia has already been working through a lot of this, on the electrical side, anyway. The
815 basic principle is pretty straightforward. When a new, large user creates the need for new
816 infrastructure, that customer should bear the cost associated with serving that new demand, rather
817 than shifting those costs onto families and small businesses. The PSC in Georgia has already
818 addressed this, and we have done that.

819 The same can be true for water cost and accountability.

820 Mr. Bradley, let me ask you. From an economic development perspective, how important is
821 that principle of cost responsibility to maintaining public support for large projects, like data centers?

822 Mr. Bradley. Congressman, I think it is essential. I think that -- I have spoken with the data
823 center developers myself and said, "You know, the approach that you have taken in the past of
824 treating it like a normal economic development project, where maybe you wouldn't have had as
825 much public engagement, just won't work anymore." And so, people have questions. The good
826 news is, is you have answers. You should be transparent and open about what you are doing and
827 provide those answers.

828 Mr. Carter of Georgia. And do you --

829 Mr. Bradley. I think one of those answers has to be, to your point, that they are going to
830 bear the cost for the incremental things that they are adding. And then, we also ought to look for
831 them to provide the large-scale benefits that inure to the whole system that can actually help
832 ratepayers.

833 Mr. Carter of Georgia. Right. And you agree: It should be before the fact, not after.

834 Mr. Bradley. Absolutely, before the fact.

835 Mr. Carter of Georgia. How can you make sure that data centers pay for the infrastructure
836 that they need without making it harder for communities to attract new investment?

837 Mr. Bradley. This is principally a local-level decision, right? Each data center is different:
838 how it is structured, its size, what it is going to use. Each community is different in terms of its
839 capacity.

840 Mr. Carter of Georgia. That is exactly right.

841 Mr. Bradley. And so, I think these really have to be local discussions that are transparent to
842 the public.

843 But the principle that should guide those discussions is one that every large user should bear
844 the cost of their thing. And I think what we see around the country is that is what local
845 governments are insisting on, and that is what data center developers are committing to provide.

846 Mr. Carter of Georgia. And let me emphasize that word you used, "transparency."
847 Extremely important.

848 You know, let's shift now to water. Many communities in Georgia, particularly smaller and
849 rural communities, are trying to maintain aging drinking water infrastructure with limited staff and
850 limited resources.

851 You mentioned yourself, Secretary Moore, in what you all are doing.

852 And cybersecurity is certainly important. Of course, if you are not on the internet, it ain't
853 that important.

854 But nevertheless, the Safe Drinking Water Infrastructure Improvement Act would continue
855 assistance for small and disadvantaged systems while expanding cybersecurity eligibility in workforce
856 training.

857 Secretary Moore, for smaller water systems, what would make these Federal programs
858 generally useful on the ground? What is the practicality here?

859 Ms. Moore. Sure. I think each one of our systems is unique, not dissimilar to the
860 conversation you were just having around data centers. And so, having trained staff on the ground
861 able to provide direct technical assistance to those smallest systems is really critical in helping them
862 put up the necessary defense to withstand a cybersecurity attack.

863 Mr. Carter of Georgia. Absolutely.

864 Let me be clear again. Georgia is growing, and we are investing, and we have companies
865 investing in Georgia. Growth works best when the company, the utility, and the local community
866 are at the table together -- not after the fact, but before the fact. When infrastructure needs are
867 planned out up front, the costs are allocated fairly and the people who already live in that
868 community, already there, they see the real benefits from the investment. This is what we need to
869 remember.

870 Thank you all for being here on this very important subject.

871 Thank you, Mr. Chairman, for convening this.

872 And I yield back.

873 Mr. Palmer. The gentleman yields.

874 The Chair now recognizes the distinguished gentleman from California, Dr. Ruiz, for 5 minutes
875 for his questions.

876 Mr. Ruiz. Thank you very much, Mr. Chairman.

877 You know, I represent California's 25th District. It is the southeast corner of California.
878 Very dry, dessert. There is extreme heat, 115 degrees. You know, California has been struggling

879 with drought, every once in a while. We are in the Colorado River Basin, and we are facing
880 mandatory cuts. Our livelihoods depend on water and the agricultural industries.

881 There are data centers who want to come in, and they want to come in to rural areas because
882 land, perhaps, is more abundant and cheaper, and they may -- a lot of utilities are cheaper in that
883 area for them as well.

884 But, of course, there is a lot of reservation, not only in terms of the cost of water to the local
885 residents -- which, by the way, are amongst the most impoverished in the State of California with one
886 of the lowest median household incomes; one of the highest unemployment rates, up to 14 percent
887 still in that entire county, where the national average is 4 percent -- but also in terms of the scarcity
888 of water and what that may look like, not just in the current snapshot, but in the future.

889 And so, there is a lot of concern with costs; with scarcity; and consumptions, especially during
890 droughts in case the Colorado River has more mandated cuts; but also in terms of the quality and
891 cleanliness of the water and potential contamination from data centers.

892 So, we have to figure out how do we, first and foremost, protect the people that live in those
893 communities, because I can almost guarantee you that the owners of these data centers aren't going
894 to live in these communities.

895 And so, one of the things that we are working on in my office is, how do we create more
896 transparency in the reporting to anticipate what these data centers will do in these local
897 communities?

898 We looked at some reporting perimeters, like -- hold on. Let me get it here -- anticipated
899 water consumption, including maximum daily, maximum monthly, and average annual water use
900 estimates.

901 What else should we be requiring reporting beforehand so that we can have better
902 accounting? Should we include peak water usage during the hottest parts of the days?

903 Ms. Wu?

904 RPTR DETLOFF

905 EDTR SECKMAN

906 [10:00 a.m.]

907 Ms. Wu. Yeah. You took the words right out of my mouth. I was going to say, especially
908 because you live in such a hot area, when you see that peak demand, it is during those hottest days.
909 So I think that is more important than just the average user -- even, like, what they think they will use
910 on an annual basis because -- what is that peak because your water utility is going to need to build its
911 infrastructure to meet that peak need, not to meet whatever the average need is. So that is a really
912 important area.

913 But, also, like, you know, the chemicals that they are going to be using -- what is going to get
914 into the water as the data center is using the water because, you know, there may be contamination
915 from some of the things that they will have to use as they are cooling the water. So there may be
916 corrosion inhibitors. There might be bio sites. Things like that, I think, are also really important.

917 Mr. Ruiz. I would like to explore more. What are the dry cooling methods that you would
918 think are the safest for communities for data centers to use?

919 Ms. Wu. That is a big question. I am not a data center expert. I think that there are a lot
920 of technologies that are probably in use now but are being -- you know, there is research and
921 development on that. And, hopefully, they are thinking about both, you know, lower water use but
922 also what the potential human health impacts of whatever those technologies are.

923 Mr. Ruiz. Mr. Bradley, you mentioned some of those earlier. You are with the U.S.
924 Chamber representing these businesses. So I would like to know what are the safest dry cooling
925 methods that don't rely on water but that pose the least or no risk to the environment or to the
926 water itself?

927 Mr. Bradley. Congressman, you have a number of innovations that are occurring,
928 including -- not all are appropriate for every place, for example. In some areas, you can use air-cool.

929 That is more difficult in a hot, humid environment. You have now submersion systems where,
930 essentially, the data center elements are submerged in a nonconductive liquid. That liquid is part of
931 a closed system. It is not your normal drinking water. So it is a closed, nonconductive system.
932 They use that liquid to get higher efficiencies in the cooling.

933 And so those are innovations that are kind of growing and occurring, but it is really going to
934 depend on the type of data center and, you know, the type of environment that you are operating in
935 what would make the most sense.

936 Mr. Ruiz. Thank you. I think that, first and foremost, we need to protect people. We
937 need to protect their drinking water, the air they breathe. Let's figure that out so that then we can
938 figure out how we can dominate in the AI space, okay?

939 Thank you. I yield back.

940 Mr. Latta. [Presiding.] Thank you very much.

941 The gentleman yields back, and the chair recognizes himself for 5 minutes for questions.

942 Mr. Bradley, welcome back. Good seeing you again. You know, just to follow up on your
943 last comments, I was out at one of our corporations in the State of Ohio. They are working on
944 that -- being able to submerge everything into that liquid. It is almost like thinking about your
945 cooling system in your car. So it is -- there would be no water. So it is quite a system.

946 But, if I could start my questions with you because I think one of the things that really stood
947 out in your testimony was when you talked about wanting to make sure that we are protecting the
948 ratepayers out there. And, you know, you say that is a core principle. Could you just go into that
949 a little bit more?

950 Because, again, we -- you know, what we passed here in this committee was the Ratepayer
951 Protection Act to make sure that, you know, on the electric side -- that ratepayers are being
952 protected, but would you like to go into that? Because I think that is really, really important to this
953 committee.

954 Mr. Bradley. Congressman, it is great to see you again as well. Yes. The principle is
955 pretty simple, right? So, if you have a large-scale user -- and, from our perspective, that would
956 include a data center or a large manufacturing facility or even a large office campus. If you have a
957 large user either of electricity or water, they ought to pay the costs that they are imposing on the
958 system for those connections.

959 Now, that principle is simple. The implementation of it can be a bit more complicated
960 because, as we have discussed earlier, for example, the scale that a large user can bring to the
961 system can actually help offset fixed costs for the other ratepayer base.

962 And so, if we are truly squaring up both sides of the ledger, we are looking at both the costs
963 that they are imposing on the system, both one-time costs for the hookup and then operating costs,
964 but we are also looking to what they contribute to the system. You know, local utilities and local
965 municipalities have a lot of expertise in working with project developers to figure that out, but I think
966 those are the questions that will have to be worked out on a project-by-project basis to implement
967 the principle that you have correctly identified.

968 Mr. Latta. Well, thank you.

969 Let me ask Secretary Moore. You talked about the vulnerability of our systems out there.
970 And one of the great things about being in the positions that we are -- I get to -- I actually go out and I
971 am looking at our water and sewer systems out there but also the vulnerability out there. Could
972 you go in a little bit on -- because on the cybersecurity side but also on the physical side that the
973 threats are out there -- what we need to be doing out there with our water systems?

974 Ms. Moore. Yeah. The challenges really abound for our smallest water systems in
975 particular. They often lack the technical, financial, and managerial capacity to meet many of the
976 sort of modern challenges that are befalling them alone, and that is why having robust State
977 technical assistance as well as through our partner organizations, like RCAP and the Rural Water
978 Associations, it is incredibly critical to making sure that we have the resources and are providing

979 them to these systems so that they can maintain that safe, high-quality, and affordable drinking
980 water that their customers expect.

981 Mr. Latta. Well, thank you.

982 Ms. Wu, you know, as we talk about upgrading our systems and the dollars that are out there,
983 the other thing when I am out at our water plants across the State of Ohio -- you know, we talk
984 about, you know, needing the money for just the physical plant, but the issue -- the other issue that
985 we are going to be facing in the future -- and maybe you saw it when you were at EPA -- is finding the
986 technicians out there and the people that run the facilities, and that is something that you are -- you
987 know, a lot of folks, I guess, you might say are aging out and are getting ready to retire, and we just
988 don't have those people coming up behind.

989 Could you talk -- address that issue? Because, again, you know, we can have all the great
990 plants out there in the world, but if we don't have the people, we have got a problem.

991 Ms. Wu. Yeah. Absolutely right. Workforce development is a big, huge issue, especially
992 in these smaller communities where, you know, folks are leaving, and you don't have somebody who
993 is certified to operate. And I think there are a lot of great programs out there in community
994 colleges. We need more and to fund more of those to have, you know, sort of trainer certifications,
995 operator training.

996 There are also a lot of, you know, things -- thinking about, like, reciprocity between States so
997 that people can move to different places and continue and keep that certification and work there.

998 And then it is -- you know, there is actually a real need on data because we don't -- it is hard
999 to see a shortage need in a specific place when your data shows you, like, nationally, we are okay
1000 with how many engineers we have or things like that. But, if we had more water-specific data with,
1001 like, the Bureau of Labor Statistics, then we would have a better sense of, like, what the real need is
1002 in the water arena.

1003 But there is -- you know, there are a lot of programs, and there was an interagency work

1004 group that had looked at water force -- water workforce needs. So there are a lot of programs
1005 within a lot of agencies, I think, that could be also better funded to help build out that workforce, but
1006 we really do need it.

1007 Mr. Latta. Well, thank you very much to our witnesses.

1008 My time has expired, and the chair recognizes the gentleman from New Jersey for 5 minutes
1009 for questions.

1010 Mr. Menendez. Thank you, Chairman.

1011 Lead poisoning from drinking water is a preventable public health crisis, and we know the
1012 solution: getting lead pipes out of the ground. That is why the Infrastructure Investment and Jobs
1013 Act provided \$15 billion through the Drinking Water State Revolving Fund specifically for lead service
1014 line replacement.

1015 New Jersey has put those funds to work to protect children and families from health harms
1016 like developmental delays, learning difficulties, and seizures, but our State needs billions in additional
1017 investment to remove all lead pipes. We should meet this moment and get the lead out. Yet,
1018 Republicans have instead proposed cutting the State Revolving Fund authorization by more than \$2
1019 billion and refuse to extend the IJJA's dedicated lead pipe replacement funding.

1020 Ms. Wu, what would cuts of this magnitude mean for communities already struggling to
1021 afford lead service line replacement?

1022 Ms. Wu. It would mean that, if they replace the lead service lines, they would slow it down
1023 a lot, and that means just more kids -- another generation of children who would be exposed to this
1024 neurotoxin and dealing with developmental delays, learning disabilities, things like that that they just
1025 don't need to be, you know, burdened with.

1026 Mr. Menendez. Yeah. And the communities that I represent know the consequences of
1027 aging lead pipes firsthand. New York overcame a serious lead contamination crisis that threatened
1028 the health and well-being of more than 200,000 residents. I am proud the city responded with an

ambitious program to replace all of its lead service lines. The Republicans' proposal would deny other communities the resources they need to act before a crisis occurs and to protect families from serious harms.

Ms. Wu, what are the public health consequences when lead pipe replacement is delayed because communities lack the funding to finish the job?

Ms. Wu. I think the problem is that we are just going to leave a generation of children behind, and they -- you know, they will have to deal with the burdens of, you know, having delays in schools and, you know, other issues. So we really need to work quickly on this.

Mr. Menendez. And I agree. And Democrats are aligned there because we have to protect our families from permanent harm to brain development and other lifelong health effects caused by drinking lead-contaminated water. It is, by the way, 2026. Like, we should be able to assure that every American and every American child is drinking clean water.

The IIJA's \$15 billion in supplemental funding dedicated to lead service line replacement help prevent those consequences and keep children from getting sick. We have a proven Federal model, and we should build on it now.

Ms. Wu again, using the example provided by the IIJA, do you support authorizing a dedicated lead service line replacement funding stream as a supplement to the Drinking Water State Revolving Fund?

Ms. Wu. Absolutely.

Mr. Menendez. I want to turn now to another topic that is so important to New Jersey families: data centers. Republicans have proposed a bill that would require the EPA to report to Congress on the sources of water that data centers use. But, as this infrastructure expands, communities need to understand not just where data centers get their water but how much they use, how that demand affects local water supplies, and what it means for their water bills. That is why my Data Center Transparency Act would require the EPA to publicly report on those key metrics.

1054 Ms. Wu, would you agree that collecting a fuller range of metrics would help communities
1055 make more informed decisions about the environmental impacts of data center infrastructure?

1056 Ms. Wu. Yes, absolutely.

1057 Mr. Menendez. At the core of my bill -- at its core, my bill is about making sure that data
1058 center growth does not come at the expense of our community's well-being. Yet, discussion
1059 draft -- the discussion draft before us solely directs the EPA to submit a single report to Congress on
1060 data centers' water sources without requiring any updates or public disclosures.

1061 Ms. Wu, in your view, should the information the EPA collects on data center water use also
1062 be made publicly available so that communities can understand the impacts for themselves?

1063 Ms. Wu. It definitely needs to be made publicly available.

1064 Mr. Menendez. I agree, and that is why it is critical that communities have public,
1065 up-to-date access to this information. That is because affordable access to clean, safe water is a
1066 fundamental right and a basic service that we should help deliver for every American family across
1067 the country.

1068 I am disappointed but not surprised that Republicans have used this hearing to advance
1069 proposals that fall far short of providing the investments and safeguards we need to protect public
1070 health and ensure reliable, affordable drinking water. I urge my colleagues on the other side of the
1071 aisle to change course. I look forward to continuing to work with my Democratic colleagues to
1072 meet this moment and deliver for our communities and water systems.

1073 I yield back.

1074 Mr. Latta. Thank you very much. The gentleman yields back.

1075 The chair now recognizes the gentleman from Colorado's Eighth District for 5 minutes for
1076 questions.

1077 Mr. Evans. Thank you so much, Chairman, and to the ranking member for this hearing, and
1078 thank you so much to our witnesses for taking the time to come and talk about water.

1079 This is an incredibly important topic to me being from Colorado where we are in a historic
1080 drought right now, and we are traditionally just a very dry State anyway. Some of my district, the
1081 north Denver area and in northern Colorado, are some of the fastest-growing areas in the country
1082 right now, and so water projects and being able to have the funding for water projects is critically
1083 important. And, of course, it is also critically important that, once we get the funding, we can
1084 actually go and execute that money to create -- as Ms. Wu said, you know, we need more
1085 infrastructure in this space.

1086 One of the challenges that we are facing in Colorado -- Denver Water, which serves about
1087 25 percent of the population of the State of Colorado, is trying to expand a reservoir, and it has been
1088 under litigation for two decades. I am just going to read a quick excerpt here from a news article.
1089 "Six environmental groups challenge Denver Water's plan to store more water for the 1.5 million
1090 people it serves." And, again, this is the Gross Dam.

1091 So I understand the importance for getting more funds. I am proud to have gotten tens of
1092 millions of dollars in water funding for my district, but I think we also know we need to have
1093 pathways forward to execute it so that these projects don't get bogged down in litigation for, in this
1094 case, two decades.

1095 And, when we are talking about water and infrastructure, one of the other big concerns that
1096 my constituents have specifically is around water and data centers, and I typically hear this along two
1097 different avenues. They talk about data centers in terms of power usage -- we have my Ratepayer
1098 Protection Act, which is -- addresses the power side of the equation -- and then also the water usage
1099 side.

1100 And so we know two things can be true at the same time. First, we have to have the digital
1101 infrastructure to beat Communist China and make sure that our sensitive data is not being stored in
1102 China in Chinese data centers that were created with a much larger carbon footprint and larger
1103 negative environmental impacts. So we have to have that digital infrastructure here, but we also

1104 have to make sure that our communities know that these things are being done responsibly,
1105 especially in dry places like Colorado, with a responsible eye toward water usage.

1106 And so, Mr. Bradley, the first series of questions to you. In your view, what responsibilities
1107 do data center developers and hyperscalers have to the communities where they are developing
1108 these projects?

1109 Mr. Bradley. Congressman, I think, first, they have to be transparent, and they have to
1110 provide wonderful data about what their expected uses are, the impact. They have to work
1111 through that with the local community and the local utility providers.

1112 Second, as we have seen with over 200 companies making commitments on the electric utility
1113 side, they have to commit that they are paying their incremental cost to the system and contributing
1114 back to that.

1115 I think, third, they need to have a commitment to innovation. One of the things that we
1116 know is that technology isn't just moving fast in AI and data centers. It is moving quickly in the
1117 physical world about how you power a data center, how much it uses, how much water it uses, and
1118 continued innovation will actually help us reduce stress on the system and demands on the system
1119 going forward.

1120 So I think accomplishing those three things is the type of responsible development that we
1121 are seeing occurring around the country.

1122 Mr. Evans. Let's talk specifically about water. Can you share some more information
1123 about how responsible data centers are being built to reduce their water usage by either recycling
1124 the resources they need, using closed-loop systems? And, if you happen to know, I am in the heart
1125 of oil and gas country. Can you comment specifically on using produced water to cool data centers,
1126 if you happen to know that specifically?

1127 Mr. Bradley. Congressman, you referenced several of the ways that they are doing that,
1128 right? A closed-loop system, which is the traditional water that we understand but in a closed loop

1129 so that you are not losing excess water through the system.

1130 Second, you combine that with potentially air-cool. Depending on the climate and the
1131 environment, you can supplement using kind of two systems.

1132 Third, we have increasingly using gray water, if you will. So not water out of the drinking
1133 system but water that they can pull into the system that we can use and that we can put back into
1134 the water -- local water system after cleanup and refinement.

1135 And then, finally, to your point about oil and gas, they are all alternatives to water for liquid
1136 cooling, and that is some of the newest innovations that we are seeing and its ability to actually
1137 submerge these components into a liquid that heat can transfer but electricity will not transfer,
1138 which actually gives you an alternative to drawing down from the local water supply.

1139 Mr. Evans. So, in my final 15 seconds here, relative to something like a golf course, how
1140 much water does a responsible data center actually use?

1141 Mr. Bradley. We are increasingly reaching the point -- for example, Microsoft just
1142 announced a data center that will use four Olympic-size pools over the course of a year, substantially
1143 less than your typical 18-hole golf course. And so it depends on the size. It depends on the
1144 cooling structure. But the trend that we are going is to less water utilization.

1145 Mr. Evans. Thank you, and I yield back.

1146 Mr. Palmer. [Presiding.] The gentleman yields.

1147 The chair now recognizes the gentlelady from California, Ms. Barragan, for 5 minutes for her
1148 questions.

1149 Ms. Barragan. Thank you so much, Mr. Chairman.

1150 Ms. Wu, I would like to start with you. Do you know how much Republicans are proposing
1151 to cut in the bill, the safe water drinking infrastructure bill?

1152 Ms. Wu. It looks like they are cutting, like, 1- and \$1.25 billion.

1153 Ms. Barragan. So at least over a billion dollars?

1154 Ms. Wu. Yes.

1155 Ms. Barragan. Does that sound like an investment in infrastructure for clean water or the
1156 opposite direction?

1157 Ms. Wu. It is not an investment in keeping up with the need. It is taking a step backwards.

1158 Ms. Barragan. Yeah. So it is really perplexing to sit here and listen to my Republican
1159 colleagues talk about clean water infrastructure and clean water and clean water, yet they are
1160 cutting money that is going to go into the investment of having clean water.

1161 You know, there are communities across the country that are facing growing challenges to
1162 keep drinking water safe and affordable, and aging infrastructure, PFAS, and other contaminants and
1163 rising costs are putting more pressure on local water systems. I know. I have heard about it
1164 firsthand. And, here, we have a Republican bill that proposes a much lower funding level for the
1165 Drinking Water State Revolving Fund, which helps communities pay for critical drinking water
1166 projects.

1167 Ms. Wu, you have previously testified before this committee on PFAS. And South Gate,
1168 which is in my district in California, four wells affected by PFAS supply more than half of the city's
1169 total water demand. What would less Drinking Water State Revolving Fund support mean for
1170 communities like South Gate, California, that are trying to keep harmful contaminants like PFAS out
1171 of their drinking water?

1172 Ms. Wu. I think it means they are going to have a much harder time protecting their
1173 residents from chemicals like PFAS and that people will, you know, have to deal with the
1174 consequences of being exposed to those chemicals.

1175 Ms. Barragan. Thank you. And, when the Federal support falls short, that means that local
1176 water systems will -- are left with the choice between raising rates on families and delaying
1177 treatment of contamination. Would that be accurate?

1178 Ms. Wu. Yes, that would be right.

1179 Ms. Barragan. So, at a time when Americans are facing a high cost of living because of
1180 Republican policies, this is just going to further increase the chances that people's water bills are
1181 going to go up more because local water agencies will have to figure out either how to fund it or raise
1182 rates?

1183 Ms. Wu. That is right. If the Federal Government can't provide more of the funding, then,
1184 yes, the local governments who will have to pay for those costs will pass them on to their customers
1185 and you will see higher monthly bills.

1186 Ms. Barragan. Thank you.

1187 Mr. Bradley, I was very pleased to hear your opening testimony talk about it doesn't matter
1188 whether it is a golf course or a data center or other things -- that these costs should not be passed on
1189 to consumers.

1190 You have spoken a little bit -- you have spoken quite a bit already about these new systems
1191 like closed-loop systems to reuse the same water repeatedly. Is there anything else you want to
1192 add about those? Because I have to tell you, I hear from people all the time just how bad data
1193 centers are and how the water is going to be contaminated or you said high levels. Is there
1194 anything else you want to add about these new and improved systems that maybe we need to tell
1195 more people about?

1196 Mr. Bradley. Congresswoman, as I said in my opening statement, I think what we have
1197 learned about data centers from 10 years ago or 20 years ago isn't necessarily applicable to the data
1198 centers that are -- were built 2 years ago or that are being built today. And so I think people have
1199 legitimate questions and concerns, and I think there are good answers to those. And those answers
1200 have evolved as technology has evolved, and that is a good thing. We should expect to continue to
1201 see that.

1202 So I think the most important thing, as I alluded to earlier, is that we have transparent
1203 conversations in the local communities where these developments are being proposed and we

1204 appropriately assess the capacity of the local utility to provide that and what the developer is going
1205 to return to that local system and to that community. I think if we have that honest and
1206 transparent conversation, people are going to find and make decisions that are best for their
1207 communities, which will often mean approving these types of developments.

1208 Ms. Barragan. Mr. Bradley, do you think Congress should be the one that does more to push
1209 the data centers to reduce their water usage?

1210 Mr. Bradley. I think this committee and Congress is doing an important role of laying out
1211 objectives and principles you want to follow. As I mentioned earlier, the practical implementation
1212 of this will have to occur at a local level because every data center is different and every local utility is
1213 different.

1214 Ms. Barragan. Thank you.

1215 Mr. Bradley. So I think we have to be mindful of that.

1216 Ms. Barragan. Thank you.

1217 Ms. Wu, do you have an opinion on whether Congress should be the one to push large data
1218 centers to reduce their water usage?

1219 Ms. Wu. I think it is important that data centers do reduce their water usage, and Congress
1220 can be a great voice for that need.

1221 Ms. Barragan. Secretary Moore?

1222 Ms. Moore. Thank you. Congress obviously plays an important role in all of the
1223 conversations about water infrastructure and water needs at a national level.

1224 Ms. Barragan. Great. Thank you.

1225 I yield back.

1226 Mr. Palmer. The gentlelady yields.

1227 The chair now recognizes the gentleman from Virginia, Mr. Griffith, for his 5 minutes of
1228 questions.

1229 Mr. Griffith. Thank you, Mr. Chairman.

1230 One of the draft bills that we are talking about today has to do with water rates for data
1231 centers. I know, Mr. Bradley, you have already discussed some of this, but I am going to ask again.
1232 But, for those -- mainly for those watching back home, could you speak a little bit on how all
1233 industrial water users normally enter into water use agreements?

1234 Mr. Bradley. Certainly, Congressman. When you have a large-scale water user who is
1235 coming in and proposing to access a system, you will likely have a local agreement with that system
1236 that governs the expected uses, costs, and implementation of that, and that type of agreement can
1237 set the framework for both the financial commitment of the large-scale water user -- in this case, a
1238 data center -- but also the infrastructure that the local utility will need to deploy to be able to meet
1239 that increased demand. And so you often have these type of local agreements just so that you can
1240 properly allocate cost and properly allocate the investments in infrastructure.

1241 Mr. Griffith. And that is why it is so important that the final decision -- while we can
1242 influence the policies and so forth, the final decision needs to be a local decision. It depends on
1243 how much water they have available and whether or not they can reach an agreement that they
1244 think works. Is that right?

1245 Mr. Bradley. That is exactly right. And, you know, you could have the same data center in
1246 two different places, and you would reach two different conclusions because circumstances are
1247 different.

1248 Mr. Griffith. Right. And do you think we should include provisions in our draft of Water
1249 Cost Accountability Act on water recycling for large users?

1250 Mr. Bradley. I do think water recycling holds a lot of promise. There are other proposals
1251 pending in Congress, for example, for investment incentives for water reuse. And so, in addition to
1252 covering the rate questions, figuring out how we can reduce overall demand from large-scale users
1253 would be an appropriate consideration.

1254 Mr. Griffith. And just, again, so folks back home can understand what we are talking about, I
1255 noticed in a recent article in the Cardinal News by Dwayne Yancey -- he talks about a plant not
1256 coming in my district but coming nearby, and Google is touting that they are currently
1257 doing -- roughly 78 percent of their freshwater consumption is being replenished. Now, part of that
1258 is creating wetlands. So it is not just your straight recycling. It could be creating a new wetland
1259 opportunity, which could increase the value of the aquifer. Is that right?

1260 Mr. Bradley. Absolutely. Again, each location is a little different. And so a wetland might
1261 make sense in some places. It might not make sense in others.

1262 Mr. Griffith. And it is interesting. Their goal, apparently, is 120 percent so that they can
1263 really help our water supply long term.

1264 Mr. Bradley. They would be net negative with respect --

1265 Mr. Griffith. That is correct.

1266 Mr. Bradley. -- to contribution, which inures to everyone's benefit in a local --

1267 Mr. Griffith. Yeah. But it is a local -- it is a local issue.

1268 Now, if we have one of these agreements -- and, under the draft proposal, the infrastructure
1269 cost for data centers would be recovered from these larger customers -- but how do you see this
1270 requirement for recovering these infrastructure costs impacting water system bond underwriting?

1271 Mr. Bradley. Well, certainly, if you have a water system who has an agreement with a
1272 guaranteed revenue source, bond issuers are going to look favorably upon the fact that you have this
1273 commitment that is bound for that revenue. That could actually improve the potential for
1274 financing.

1275 Mr. Griffith. All right. So can you address concerns about what happens if the data center
1276 fails and ends up going under? Or any large water consumer, but particularly, we are talking about
1277 data centers.

1278 Mr. Bradley. Yeah. I am not sure we have seen an example of a data center going under

1279 given demand. But, yes, I think there are a couple of options here. One is does the underlying
1280 agreement address that issue? It could potentially, and that could be something a local community
1281 or a utility would insist upon. You might have rights that are transferred if someone else picks up
1282 that asset.

1283 If you have invested the resources as a local community to provide access to that water, that
1284 is becoming a valuable commodity these days. I suspect there are other people who would love to
1285 pick up that opportunity and replace whatever the failed data center or other large-scale user left
1286 behind.

1287 Mr. Griffith. Thank you.

1288 Secretary Moore, I might have to give you some written questions later, but one of the things
1289 that I always have to be concerned about is -- I represent a number of rural water utilities. Can you
1290 speak on how Congress can improve technical assistance training for rural water system employees
1291 as a part of this draft Safe Drinking Water Act?

1292 Ms. Moore. Sure. One of the ways is to ensure that the State programs are fully funded by
1293 moving to take community-funded projects off after State set-asides come. Those are the dollars
1294 that flow directly to the team at my agency who are providing direct technical assistance to local
1295 water utilities.

1296 In addition, organizations like RCAP and the Rural Water Association are incredible in terms of
1297 the technical assistance they are able to provide to our rural communities.

1298 Mr. Griffith. And I appreciate that.

1299 My time is up. Mr. Chairman, I yield back.

1300 Mr. Palmer. The gentleman yields.

1301 The chair now recognizes the gentleman from Ohio, Mr. Landsman, for 5 minutes for his
1302 questions.

1303 Mr. Landsman. Thank you, Mr. Chair, and thank you all for being here.

1304 I want to start on the data centers question. The narrative sometimes gets to be about, you
1305 know, do we do data centers, or do we not do data centers? Do we want to win the AI race with
1306 China or not? To me, the question here is, who pays, and are our towns protected?

1307 The issue around water is pretty significant in the sense that, you know, they -- these data
1308 centers use a ton of water now, and I think it is something like 40- or 50 million gallons a day.
1309 Based on the projections of the construction of new data centers, it is going to be something like
1310 200 million. So four times as much, and that is just in the next year or two. Almost all of that
1311 water comes from public water systems.

1312 And, for me, it is -- you know, what are the disclosure requirements? I mean, at the
1313 moment, we don't really know. And there are examples of good actors, examples of bad actors,
1314 examples of folks who are using great technology, you know, and there are examples of folks who
1315 have not done the right thing.

1316 But we don't currently have Federal disclosure requirements in terms of how much water a
1317 data center is using at their peak or just in general or both, where they are getting the water, how
1318 much they are taking from the groundwater, what their wastewater discharge, you know, work looks
1319 like, what kind of cooling technology. None of that is currently required. And so communities lack
1320 information.

1321 And then there is no requirement that they pay for all of their water
1322 uses -- usages -- usage -- sorry -- or they don't -- there is no requirement that they pay for the
1323 infrastructure. Now, some may be doing that and those agreements get worked out on a local
1324 level, but there is no requirement. So, again, local communities don't have much leverage here.
1325 So they lack information, and they lack leverage.

1326 I am curious -- and I will start with you, Ms. Wu -- what do you think Congress' role should be
1327 as it relates to the water piece?

1328 Ms. Wu. I mean, all the things that you just talked about, right? I think transparency is

1329 very important, but not just transparency. Like, we really need to know specific pieces of data
1330 about this water system and the community needs to know. It can't be a check-the-box exercise
1331 where they are like, "Oh, we had -- you know, we had a meeting and we talked about it."

1332 So things like, you know, peak demand, peak -- especially during the hottest days, that is what
1333 the community needs to know. Like, you know, when -- if they have a drought, like, what is going
1334 to happen with their water? It is a finite resource that we are talking about that they are --

1335 Mr. Landsman. By the way, this would be preconstruction disclosure, too, I mean, because
1336 that would --

1337 Ms. Wu. That would really -- yeah.

1338 Mr. Landsman. -- help people understand what do we need to ask for as communities to try
1339 to work this out.

1340 Secretary Moore -- I want to ask you, Mr. Bradley, too -- your thoughts on the role Congress
1341 should play here.

1342 Ms. Moore. Sure. One point I would like to raise -- and this is coming from the perspective
1343 of a State where only about half of our residents are on public water systems -- is if a data center is
1344 not connected to a public water system, it -- I am not sure that there are currently frameworks in
1345 place to require the kinds of reporting, whether it is a groundwater withdrawal or a surface water
1346 withdrawal. Vermont has put in place some regulations to deal with some other industrial uses
1347 within the State, but I don't think those are widespread. And so I just would put that out there as a
1348 placeholder.

1349 The other thing I would --

1350 Mr. Landsman. Wait. I just want to make sure I am understanding what you are saying.
1351 Right now, it just -- there are -- there are no requirements to tell folks how much water they are
1352 going to use. Are you suggesting that they do, or are you just saying that they don't?

1353 Ms. Moore. I am saying that if you are not connected to a water supply, if you were to drill

1354 your own well --

1355 Mr. Landsman. Yeah.

1356 Ms. Moore. -- or construct your own surface water intake, those requirements are not
1357 consistent nationwide for reporting.

1358 Mr. Landsman. Got it. Yeah.

1359 Mr. Bradley, Congress here -- I mean, the role?

1360 Mr. Bradley. In general, transparency is a very good thing.

1361 Mr. Landsman. Yeah.

1362 Mr. Bradley. I think this hearing and the work that you all are doing highlights these issues.

1363 I think Congress has to be careful about being prescriptive about what you want to see in each
1364 particular development because the data center or the other large-scale user can look very different.
1365 The local community and the water system can look different, and what would make sense in one
1366 place may not make sense in another. You really have to empower -- and these local communities
1367 are empowered. They are the ones who control the permits -- to really decide if it works for their
1368 community.

1369 Mr. Landsman. Thank you.

1370 My time has expired. I yield back.

1371 Mr. Palmer. The gentleman yields.

1372 The chair now recognizes the gentleman from Pennsylvania, Dr. Joyce, for 5 minutes for his
1373 questions.

1374 Mr. Joyce. Thank you, Chairman Palmer and Ranking Member Tonko, for holding this
1375 important hearing and to our panel for being here this morning to testify.

1376 Earlier this year, I chaired an Oversight and Investigation Subcommittee investigation
1377 regarding the cause of the Potomac Interceptor collapse here in D.C. and the resulting impacts.
1378 Through that investigation -- which Mr. Palmer had originated when he was the chairman of the

Oversight and Investigations Subcommittee -- it became clear how serious a failure in this critical infrastructure can be and how important it is to maintain support for both regular maintenance and future investment.

All over our country, aging sewer and drinking water systems need repairs, and they need upgrades. Some of these projects have been put off for years due to lack of local resources, risking future public health and clean water disasters all across America. This risk is especially urgent in rural communities with smaller water systems like many of the municipalities that I represent.

In meetings, I have heard regularly from small water and sewer authorities who are struggling to maintain infrastructure nearing its end of life as they wait for funding and resources needed for replacements and upgrades. A disruption in either service can put a strain on both systems and place serious burdens on the community and on the operators who maintain the infrastructure.

In the draft legislation that we are considering today, I am glad to see a commitment to maintaining and modernizing the Drinking Water State Revolving Fund. This is a necessary Federal funding source the communities in my district rely.

In preparation for this hearing, I heard from the manager of the Altoona Water Authority in my district on how these funds have allowed them to complete necessary projects, from water line replacements to treatment facilities improvements, all the while maintaining low customer rates and providing the cleanest water to the highest standards.

Ms. Moore, in your testimony, you discuss the increasing financial strain faced by communities. How can the funding from SRF be leveraged to provide the most benefit to the most in-need communities?

Ms. Moore. Sure. So the small and disadvantaged community set-asides are a really important tool, but we know that our communities are facing increasing challenges from emerging contaminants, including PFAS, that they simply hadn't anticipated and that the treatment cost associated with those technologies -- or with the technologies needed to address PFAS

1404 contamination are expensive and can be labor-intensive and complicated to operate.

1405 So it is a combination of direct financial assistance through the State Revolving Fund program,
1406 through robust reauthorization, coupled with strong technical assistance from State agencies and our
1407 partners to ensure that those smaller communities have the resources they need.

1408 Mr. Joyce. Ms. Moore, can you elaborate on the role that set-asides play in helping smaller
1409 water systems both stretch their very thin resources as well as assisting the State in effectively
1410 directing those resources?

1411 Ms. Moore. Absolutely. Those set-asides are critical to maintaining the staffing I have
1412 within my Drinking Water and Groundwater Protection Division at the Agency of Natural Resources.
1413 About 40 percent of the staff in that team are funded through those drinking water set-asides, and
1414 those are folks that are on the ground working hand in hand with our municipalities to ensure that
1415 they are able to meet modern standards and provide their residents with safe, reliable water.

1416 Mr. Joyce. Thank you.

1417 Mr. Bradley, how can smaller communities leverage the funds available through the SRF to
1418 attract additional capital investments and the necessary economic growth?

1419 Mr. Bradley. Congressman, I think, in part, it comes down to technical assistance and the
1420 ability to figure out how to access these. I think the government has a role to play, but so does the
1421 private sector. At the U.S. Chamber, we have partnered with the Penn Water Center and the
1422 company Veolia to actually provide private resources on some of that technical assistance. I think
1423 that can work. I think we can consider, particularly since we have so many small providers, how we
1424 can achieve scale amongst them.

1425 Mr. Joyce. So how does attracting the economic -- this additional economic growth -- how
1426 can that bolster the small systems in communities that I represent for further maintenance and
1427 upgrades for their infrastructure?

1428 Mr. Bradley. Well, I think first is the ability to potentially attract that additional funding and

1429 leverage private --

1430 Mr. Joyce. And next steps?

1431 Mr. Bradley. I think the next steps for them are you have to figure out the viability of the
1432 system and whether or not there are efficiencies of scales, sometimes by combining systems,
1433 sometimes by sharing larger resources. So this is a problem not unique to water utilities.

1434 Mr. Joyce. The drafts that we are considering today are a positive step forward supporting
1435 drinking water infrastructure, especially in smaller and rural communities, and I look forward to
1436 working with my colleagues on this committee to ensure that every American has reliable, safe, and
1437 clean access to water.

1438 Thank you, Mr. Chairman, and I yield back.

1439 Mr. Palmer. The gentleman yields.

1440 The chair now recognizes the gentleman from Florida, Mr. Soto, for 5 minutes for his
1441 questions.

1442 Mr. Soto. Thank you so much, Mr. Chairman.

1443 The Bipartisan Infrastructure Law was a game changer for fast-growing Florida. When we
1444 saw it passed, it helped with expanding I-4, a \$3.4 billion project. We have seen over a half a billion
1445 dollars we were able to secure for Orlando International Airport for our tourism industry, for our
1446 workers, for central Floridians to be able to fly across the world. SunRail, Kissimmee Airport. A lot
1447 of people know these contributions that we worked on, but another major part of this was water.
1448 It is something that a lot of folks may not see as much, but they expect clean water. They expect
1449 clean lakes.

1450 And so, when we are talking about the State Revolving Fund or the Water Resources
1451 Development Act or WIFIA loans, our region was able to, through our help and others, get over a
1452 billion dollars in projects over the last couple of years. We saw Toho Reservoir being built, a Polk
1453 County water initiative, an Orange County water supply project, Taylor Creek Reservoir, and, of

1454 course, the restorations that are ongoing at East, North, and Big Lake Toho.

1455 And so, Secretary Moore, how important is it for strong Federal funding for State and local
1456 projects? Vermont is a smaller State. I am sure you don't -- you are not swimming in money
1457 there. Paint a picture for folks at home. How much of this is Federal dollars flowing down to help
1458 State and local water projects?

1459 Ms. Moore. Sure. The Federal funding made available through the Drinking Water SRF is
1460 incredibly important to our ability to support communities in making necessary investments in their
1461 systems.

1462 We have some very old infrastructure in Vermont. A lot of it is coming due in terms of being
1463 at the end of its useful life. We have, you know, stable but not large user bases in most of our
1464 drinking water systems. So the ability to provide access to low-cost capital is critical to systems'
1465 ability to make those investments.

1466 Mr. Soto. Absolutely. And, when we got our allocation in Florida, a lot of people were
1467 surprised it was one of the biggest ones because, although a lot of areas are new, we have some
1468 really old areas like St. Augustine -- 1500s, right -- and then we had a lot of rural communities that
1469 were falling behind.

1470 How important is it for some of these small cities and towns and counties that are fiscally
1471 constrained rural counties?

1472 Ms. Moore. It is. In terms of user affordability, it is critical. If communities had to go to
1473 the private market to access the kind of capital that they are able to through the State Revolving
1474 Fund, it would see a dramatic increase in user rates and ability to pay and I think would actually
1475 result in projects going untended.

1476 Mr. Soto. Absolutely.

1477 So, Members, we have got to dig deep on this. This is important for all of our States,
1478 especially fast-growing States as well as States that have fiscally constrained counties and cities.

1479 And we also hear a lot about the data center issue. It is absolutely essential that we
1480 empower local communities to decide whether or not they want a data center in their area. This
1481 has been something that has been debated throughout Florida. We just passed out of this
1482 committee a Ratepayer Protection Act on -- but we know data centers use a lot of water.

1483 And so, Ms. Wu, you worked with the EPA. How important is it for bills like the Water Cost
1484 Accountability Act to make sure we are prohibiting water systems from recovering costs from
1485 customers?

1486 Ms. Wu. Yeah. It is really important. And these are the ways to protect your -- you
1487 know, your customers, the ratepayers, and residents in these small communities especially from
1488 having to shoulder the cost of these -- you know, these big projects.

1489 Mr. Soto. If we didn't have these laws that we are pushing in place, what would be a
1490 ratepayer's recourse if they got their water jacked up because of a data center or other use?

1491 Ms. Wu. I am not sure that they would have a lot. Bringing it to their, you know, public
1492 utility board and just trying to raise it there, but there is not a lot.

1493 Mr. Soto. Mr. Bradley, what kind of water resource do you think we need to -- as we keep
1494 pace with technology from a water perspective?

1495 Mr. Bradley. I apologize, Congressman. What kind of water resources or --

1496 Mr. Soto. Yeah, or water infrastructure.

1497 Mr. Bradley. Well, we need to continue, as you all have discussed here today, investments
1498 in the underlying infrastructure, if nothing else, just to replace what is aging.

1499 And so the good news is that we can become more efficient. We don't have to replace with
1500 the same type of capacity and technology that we built with 40 or 50 years ago, but it doesn't change
1501 the need that we need to make investments both in the drinking water, wastewater, and other
1502 utilities.

1503 Mr. Soto. And there are many things the private sector does well, but water is something

1504 that you rely on government to help make sure is there for a lot of businesses. Isn't that right?

1505 Mr. Bradley. We certainly rely on government, but the private sector is a water provider or
1506 the implementer in a lot of communities.

1507 Mr. Soto. So an important partnership there?

1508 Mr. Bradley. It is an important partnership.

1509 Mr. Soto. Thanks, and I yield back.

1510 Mr. Palmer. The gentleman yields.

1511 The chair now recognizes the gentleman from Texas, Mr. Pfluger, for 5 minutes for his
1512 questions.

1513 Mr. Pfluger. Thank you, Mr. Chairman. I appreciate the witnesses being here. I think it is
1514 important that we deal in facts, and your testimony is very important.

1515 I think multiple things can be true at once, and the acknowledgment that water is an issue -- I
1516 represent West Texas and, obviously, that is true there -- and the acknowledgment that data centers
1517 are important or really any other industry that uses water, any other commerce that we have, and
1518 the transparency and the things that we are talking about in this hearing are incredibly important.

1519 Mr. Bradley, in your testimony, you discussed the importance of assessing local water
1520 availability, alternative sources, drought risk, and expected water needs of individual projects. Is it
1521 fair to say that the water impact of a data center is highly project- and location-specific?

1522 Mr. Bradley. Absolutely. It would vary very much from whether you are in West Texas or
1523 you are in the Loudoun County in Virginia or you are up in the Great Lakes area. Very different
1524 environments. And, by the way, the data centers can often be very different as well.

1525 Mr. Pfluger. Just a broad philosophy on a regulatory approach, I mean, what do businesses
1526 across the country -- knowing what you just answered, that they vary significantly, I mean, what do
1527 they prefer on the regulatory approach? Strict regulatory approach? Light touch? I mean, what
1528 allows commerce to succeed most?

1529 Mr. Bradley. Very much a light touch and local, a national solution here. We can set some
1530 national principles. That is important. But, because the circumstances are so fact-dependent in
1531 local communities, you could write a rule that might work in Northern Virginia but wouldn't work at
1532 all in West Texas or vice versa.

1533 The other problem with kind of static regulatory is it doesn't take into account innovation and
1534 technological change. If Congress had written rules around data center water and electricity use
1535 5 years ago -- maybe even 2 years ago -- they wouldn't match with where technology is today, and it
1536 certainly won't match with where technology is going to be 2 years from now.

1537 Mr. Pfluger. So it is fair to say that they are adapting to a resource-constrained
1538 environment. Is the transparency also -- have you seen a shift toward transparency in local
1539 communities getting the information they need?

1540 Mr. Bradley. We have. And, you know, listen, I think a lot of data center developers in
1541 particular -- but this is true for a lot of developers -- it happens to be particularly true at this moment
1542 for data center developers -- maybe weren't as transparent -- were not as transparent as they should
1543 have been in some of the initial construction. I think they have learned an important lesson.

1544 I think the good news is that they should be proud to tell their story. Because of the
1545 innovations that are occurring and because of the public services, the tax revenue base, and the
1546 economic opportunities they are creating, I think they can let people judge for themselves, and I
1547 think a lot of communities will come down on the side of this is pretty good for us.

1548 Mr. Pfluger. Again, very location-specific, project-specific.

1549 Secretary Moore, you represent State environmental agencies across the country, and from
1550 your perspective, how important is it that -- what the water impact of a major new user be evaluated
1551 based on the specific water resources, the infrastructure capacity, and other factors?

1552 Ms. Moore. Yeah. Obviously, that varies widely from State to State and jurisdiction to
1553 jurisdiction and just highlights the importance of transparency and information sharing around water

1554 usage.

1555 Mr. Pfluger. Thank you.

1556 Mr. Chairman, thank you. I yield back.

1557 Mr. Palmer. The gentleman yields.

1558 The chair now recognizes the gentleman from New Jersey, Mr. Menendez, for 5 minutes for
1559 his questions.

1560 Sorry, Jake. The chair now recognizes the gentleman from Massachusetts, Mr. Auchincloss,
1561 for 5 minutes.

1562 Mr. Auchincloss. That actually happens pretty frequently. Thank you, Chair. I appreciate
1563 the witnesses.

1564 One of my priorities in office over the last 6 years has been clean water infrastructure for
1565 Massachusetts. We are a State with a long industrial legacy, dense land use patterns, and so the
1566 soil and the water has a high rate of carcinogens and other toxins. And so getting that cleaned up
1567 has been a priority. I have been able to direct tens of millions of dollars back to the Massachusetts
1568 Fourth for water treatment facilities. But I have heard in the last few years real concerns about
1569 supply chain concentration and regulations that are raising the cost of these water treatment
1570 facilities pretty dramatically.

1571 Ms. Wu, I want to direct my question to you and focus on the impact of Build America, Buy
1572 America provisions. And I was proud to vote for and pass the Infrastructure Investment and Jobs
1573 Act, but part of our job as legislators is to examine the impact of the policy we pass and see what
1574 needs to be amended based on reality, and reality has changed a lot in 5 years.

1575 And, as I said, I have been hearing from municipalities about increased costs based on some
1576 of these requirements and based on supply chain concentration. Should there be actions that
1577 Congress considers to improve or better tailor these requirements?

1578 Ms. Wu. Yeah. I mean, I think, you know, if it was Congress' policy that we do want to,

1579 you know, have more domestic products and, you know, support these infrastructures, then there
1580 are some things that could be done to preserve the goals of Buy America, Build America. And so
1581 some of the implementation things that could be done is more targeted and evidence-based,
1582 medium-term product waivers and also a more coordinated industrial strategy with specific
1583 industries to help reshore and build domestic capacity here, and that could help keep the policy in
1584 place but deal with some of the cost challenges.

1585 Mr. Auchincloss. Do you have an example or do you have in mind elements of that value
1586 chain that you think need a more coordinated industrial strategy to prevent bottlenecks?

1587 Ms. Wu. I don't have specific ones in mind, but I know that we could, you know, get some
1588 thoughts to you.

1589 Mr. Auchincloss. Do either of these other witnesses have thoughts about -- are there
1590 bottlenecks within the water treatment facility value chain that you are particularly concerned about
1591 that are driving up costs?

1592 Ms. Moore. Nothing comes immediately to mind, but I am happy to go back to my team and
1593 ask if they have specific examples they would offer.

1594 Mr. Auchincloss. Got it.

1595 I will ask one other question, and it is open-ended here, which is -- we are trying to remediate
1596 and address PFAS contamination -- and I am proud of the work that the Biden administration did on
1597 this and that Congress did on this -- in our water supplies. The challenge is addressing it in our
1598 municipal water supplies is the point at which it is the most diffuse and the most expensive to try to
1599 capture and interrupt that bioaccumulation cycle of PFAS, right? We are talking about parts per
1600 trillion. Meanwhile, at the point of production, when PFAS is being added to the bottom of skis or
1601 to cookware or to rain jackets, it is like parts per million, and it is a lot easier to try to remediate and
1602 address.

1603 Do you think that it would help water treatment facilities reduce cost and just improve the

1604 whole process of water potability if we address PFAS contamination at the point of production for
1605 nonessential uses?

1606 Ms. Moore. To me, the answer is and both. There are many, many materials that have
1607 been produced over decades that are out in circulation at this point, and so we know that those are
1608 going to contribute -- continue to contribute to downstream and passive receptors.

1609 But, at the same time, reducing the amount of new PFAS introduced into the environment is
1610 important. Vermont has passed several pieces of legislation with different product bans and
1611 stewardship requirements trying to get at that source control while also --

1612 Mr. Auchincloss. Yeah.

1613 Ms. Moore. -- working with municipalities to implement treatment on the back end.

1614 Mr. Auchincloss. Yeah, no. Clearly, we can't unring the bell. I mean, you look at
1615 firefighter foam and you look at -- I mean, and the leaching out of landfills. We have got to
1616 remediate it at the point of consumption as well, but it seems like it would make sense to -- as we are
1617 dealing with the cleanup, to also try to prevent our grandkids from having to deal with this by getting
1618 it at the point of production as well.

1619 Ms. Wu, did you have thoughts on that?

1620 Ms. Wu. Yeah, I do, and I think that there are some things that could be done. We were
1621 looking at things like Effluent Limitation Guidelines so that the production companies, like the ones
1622 making the PFAS, actually have to put some kind of treatment on their outfall --

1623 Mr. Auchincloss. Exactly.

1624 Ms. Wu. -- so it doesn't even go into --

1625 Mr. Auchincloss. Yes.

1626 Ms. Wu. -- the wastewater in the first place, so then our, you know, treatment plants and
1627 our utilities don't have to pay for cleaning that up.

1628 Mr. Auchincloss. And we have done this with other toxins. This is not a new concept,

1629 right? We have just got to apply this to PFAS. We have done this, for example, with
1630 ozone-depleting chemicals in the 1980s with the Montreal Protocol. This is a template that
1631 Congress has. We need to act on it for PFAS now.

1632 Ms. Wu. Absolutely.

1633 Mr. Auchincloss. I yield back, Chair.

1634 Mr. Palmer. The gentleman yields.

1635 The chair now recognizes the gentleman from New York, Mr. Langworthy, for 5 minutes for
1636 his questions.

1637 Mr. Langworthy. Thank you very much, Mr. Chairman.

1638 I represent western New York and the Southern Tier, including many, many small, rural
1639 communities where local governments and water systems are responsible for maintaining critical
1640 infrastructure across very large geographic areas with very limited resources.

1641 You know, for a small town, replacing a water main, upgrading a treatment facility, or
1642 complying with a new requirement is a very significant expense, and they don't necessarily have the
1643 large staffs or dedicated grant writers or engineers, and when cost increases, there are fewer and
1644 fewer ratepayers to absorb that cost. That is why programs like the Drinking Water State Revolving
1645 Fund and Federal technical assistance can be particularly important for the communities that I
1646 represent.

1647 Secretary Moore, what are the biggest infrastructure and financial challenges that you are
1648 hearing from small and rural water systems, and do these bills go far enough to ensure that those
1649 systems can actually access the assistance available to them?

1650 Ms. Moore. That is a great question. I think it is severalfold. The shrinking user base, as
1651 you alluded to, is probably at the top of the list. So having fewer connections over which to spread
1652 those costs of the necessary investments is an incredible challenge. I think being able to have the
1653 administrative capacity to support the administration of many of these projects is also a real

1654 challenge in our smallest communities.

1655 Once the construction is underway, you have an engineer and a contractor on-site that are
1656 supporting you, but getting that project from conception to construction takes a lot of work at the
1657 local level, and often, that work in our smaller communities is being done by volunteers. And that is
1658 why those set-asides in the Drinking Water SRF program are so important. They fund technical
1659 capacity through the State to be able to provide that support to communities and moving those
1660 projects from conception to construction.

1661 Mr. Langworthy. I think accessibility is an important part of this conversation. It doesn't
1662 do much good to create a Federal program intended to help small communities if navigating the
1663 program itself requires resources that the communities don't have.

1664 The legislation before us recognizes the challenges facing our drinking systems are changing.
1665 Today, a community isn't only responsible for maintaining the pipes and the pumps and the
1666 treatment facilities, but water systems increasingly have to protect their technology that controls the
1667 infrastructure from cyber attacks. And a large utility, they may have a dedicated cybersecurity
1668 team, but a small, rural system has a handful of employees responsible from every element of the
1669 execution of the mission.

1670 Secretary Moore, how significant is that resource gap when it comes to cybersecurity, and
1671 how can technical assistance and workforce provisions in these bills help smaller systems to protect
1672 themselves?

1673 Ms. Moore. Yeah. That gap is real and daunting for many of our smallest systems. As I
1674 noted before, one of the strategies we sometimes joke about that those small systems use is simply
1675 not being connected to the internet, which presents its own sets of challenges.

1676 But, really, the technical assistance along with infrastructure hardening need to go hand in
1677 hand in the services being provided to small communities to help them face those growing threats.

1678 Mr. Langworthy. You know, we also need to make sure our Federal dollars are being used

effectively in the legislation that strengthens oversight of State Revolving Fund projects while continuing investments in infrastructure, lead reduction, resilience, and assistance to disadvantaged communities. For taxpayers and for the communities relying on these programs, we should know that those dollars are actually producing better and more reliable infrastructure.

Mr. Bradley, as we reauthorize these programs for another 5 years, what can Congress do to ensure that Federal drinking water dollars are spent efficiently and result in the greatest possible infrastructure benefit for our communities?

Mr. Bradley. Well, Congressman, I think you are doing some of that in this legislation, particularly as you think about how to address cybersecurity challenges. I think you can also think about some of the other technological innovations and access that might be harder for a smaller or rural community.

You also ought to begin thinking creatively about how smaller utility providers might be able to share some of the expenses for some of these things that aren't necessarily unique to an individual community, a cyber threat or innovations in some of the technology. You know, this is not a problem unique to water systems. When you have small-scale providers and declining demographics, you have to start getting really creative about how you continue to provide services to that declining population base.

Mr. Langworthy. Small communities, they don't need lower standards. They need practical tools and resources that allow them to meet high standards without placing an unsustainable burden on their residents, and I look forward to that goal.

And I yield back, Mr. Chairman. Thank you all for being here.

Mr. Palmer. The gentleman yields.

The chair now recognizes the gentleman from Texas, the vice chairman of the subcommittee, Mr. Crenshaw, for 5 minutes for his questions.

Mr. Crenshaw. Thank you, Mr. Chairman. Thank you all for being here.

1704 It is an important topic today about water infrastructure, rate paying, all of these things,
1705 affordability. There have been some good conversations about what those levels of funding should
1706 be and how ratepayers need to be protected, and I think there is a good bill today that seems to
1707 protect ratepayers and water quality and supply, especially in the modern age where there is an
1708 increasing number of data centers being built.

1709 And, you know, there are, of course, tradeoffs that are worth raising. There are concerns
1710 about water supply and grid strain and electricity prices and problems. But, you know, these are
1711 solvable problems, and today's bills are aimed at solving these problems.

1712 I have introduced also the DATA Act. The DATA Act would allow data centers to build their
1713 own energy supplies on-site. It would federalize what many States like Texas have done. This is
1714 all commonsense stuff. I really hope the committee takes up that piece of legislation.

1715 And I will say this about this committee, you know, and I mean it. This is one of the
1716 committees I truly enjoy serving on because we work on things that matter to people's lives.
1717 Nobody is clipping this hearing for some viral clickbait moment. Then again, what I am about to say
1718 might get clipped. No. We are talking about stuff that is boring but really important. It is about,
1719 you know, water safety at prices that people can afford.

1720 That is actually the job we were sent here to do, and it really drives me crazy, honestly, how
1721 much of the work that comes out of this committee -- bipartisan, substantive, negotiated in good
1722 faith -- and just dies between here and the House floor because, outside of this room, there are
1723 plenty of Members who would rather torch a deal and get social media clicks as opposed to doing
1724 something that actually passes into law. So this committee does the work, and a handful of
1725 unserious Members kill the work.

1726 Now, the data center debate is pretty heated right now. And, just real quick, yes or no, does
1727 everyone here agree that data centers -- they are not only inevitable but they are a good thing as
1728 long as the negative consequences can be mitigated? Yeah? Generally agree? I would hope so.

1729 RPTR SCHWALM

1730 EDTR SECKMAN

1731 [11:00 am]

1732 Mr. Crenshaw. Do you think the bills we are considering today are an effort to mitigate
1733 some of those consequences, especially the Affordability Accountability Act?

1734 Mr. Bradley. Yes.

1735 Mr. Crenshaw. That is good. All right. The truth is that the best thing we can do for
1736 China today is to regulate ourselves out of data center construction. That is exactly what they
1737 want. And, by the way, they are pushing it. They are pushing anti-data-center propaganda all
1738 over social media.

1739 This past week, X investigated over 200,000 accounts that have been boosting
1740 anti-data-center posts. They are created by Chinese accounts. They pose as American accounts.
1741 As President Trump recently said, China cannot be happier with this anti-data-center movement, and
1742 I agree.

1743 If you are against data centers because social media got you all riled up, you are an unwitting
1744 propaganda tool for the CCP. I am sorry, but I am not sorry. That is just the truth because people
1745 fear things they don't understand. I get that. I also don't think it is an excuse.

1746 And I have a feeling that most of the people streaming online about data centers are probably
1747 the same people that think burritos cost about \$20. The solution is not screaming more at the wall.
1748 The solution is to do your research and to seek to understand things that you don't understand.
1749 And that is up to you then to vote the Representatives in that don't just mirror your anger back to
1750 you in order to get your votes but actually work to find solutions, like the people on this committee.
1751 Like I said, we do have plenty of solutions.

1752 This committee is the one of the few that bothers to create those solutions. I am proud to
1753 be part of this committee, proud to have served. And thank you to the chairman, and thank you for

1754 the leadership of energy and commerce who had really asked the FBI to investigate some of those
1755 anti-data-center campaigns that I had just noted. So proud to be a part of this.

1756 And I yield back.

1757 Mr. Palmer. The gentleman yields.

1758 I would like to thank our witnesses for being here today. Members may have additional
1759 written questions for you. I will remind members that they have 10 business days to submit
1760 additional questions for the record, and I ask the witnesses to do their best to submit responses
1761 within 10 business days upon receipt of the questions. In addition, any materials or responses
1762 requested to be submitted to the committee should be submitted within 10 days as well.

1763 I ask unanimous consent to insert into the record the documents included on the staff hearing
1764 documents list. Without objection, that will be the order.

1765 Without objection, the subcommittee is adjourned.

1766 [Whereupon, at 11:03 a.m., the subcommittee was adjourned.]

1767

1768