



January 9, 2009

The Honorable Richard Neal
2208 Rayburn House Office Building
Washington, DC 20515

Dear Representative Neal,

I am writing on behalf of the National Association of Water Companies to express our support for your bill to exempt private activity bonds from the alternative minimum tax. Your proposal will go a long way towards making private-activity bonds more attractive to investors and thereby lowering the cost of infrastructure improvement projects.

The current financial and credit crises are causing severe challenges and dislocations throughout virtually every sector of the economy. No sector is more essential to public health and welfare than the providers of high quality water and wastewater services in this country. No public utility sector and few businesses of any type are more capital intensive than the water sector. The USEPA has estimated that the costs to replace ageing water and wastewater infrastructure and comply with water quality requirements could approach \$1 Trillion over the next 20 years. Capital investment is the life blood of this industry and without it the ability to continue providing these essential services is threatened. NAWC supports your proposal because it will help utilities continue to attract capital for environmental infrastructure improvement amidst the current financial crisis at a reasonable cost to customers.

Thank you for your leadership on this important issue. We at NAWC look forward to working with you and your staff on this important legislation. Please do not hesitate to contact me or Erika Berlinghof on my staff if we can be of any assistance, 202-466-0013.

Sincerely,

Peter Cook, Executive Director
National Association of Water Companies