



August 29, 2024

The Honorable Bruno Pigott  
Acting Assistant Administrator  
Environmental Protection Agency  
Office of Water 4101M  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460

Dear Acting Assistant Administrator Pigott:

The U.S. Chamber of Commerce (Chamber) is pleased to provide comments to you and the Environmental Finance Advisory Board (EFAB) on the importance of an industrial water reuse tax credit. We commend the EFAB for exploring the value of establishing this important tool as a possible policy priority.

Companies and communities are facing growing challenges regarding available water to meet public health, economic, and food and energy security needs. The explosion of the use of artificial intelligence is translating into increased energy demand, which will further increase demand for water. The water crisis, especially in the American West, is reaching unprecedented levels in its duration and impacts. Coupled with crumbling drinking water and wastewater infrastructure, more should be done to conserve water and provide solutions.

The Infrastructure Investment and Jobs Act (IIJA) of 2021 provided \$1 billion for water reuse, which will go a long way towards putting communities on a more sustainable water path. However, the IIJA funding is almost exclusively targeted towards municipal water reuse. Municipalities only account for 13% of freshwater withdrawals in the U.S., while industry accounts for 46% of domestic freshwater withdrawals.

An industrial water reuse tax credit would incentivize more businesses to invest in and adopt water recycling and reuse. Therefore, we support Congress creating a tax credit for up to 30 percent of the project value when purchasing, designing, and installing systems that increase water recycling or the use of recycled water. This tax credit should be structured on a sliding scale, similar to the approach taken for renewable energy, reflecting the size and impact of improvements.

The economic and societal benefits of an industrial water reuse tax credit would be widespread:

**Practical business case.** Many in the business community have been recycling industrial water to meet a variety of business priorities, including saving resources and money, reducing the environmental footprint, and ensuring sustainable water supplies for their customers and employees.

**The economics of water reuse.** Investments in water reuse systems can be economically challenging and often prevent widespread implementation of these best practices. Where importing water is the next best alternative, recycled water is often cheaper to produce. In El Paso, for example, recycled water costs \$4 per 1,000 gallons to produce locally, compared to \$9 per 1,000 gallons to import. In many cases, however, producing and providing recycled water is more expensive than providing another freshwater option. As a result, municipalities often discount recycled water for their customers and have to find ways to cover the gap.

**Climate benefits.** Climate change is manifesting with impacts on water—too much, too little, or of poor water quality. Water reuse is positioned to help businesses mitigate risks to water scarcity challenges and reduce the stress on watersheds due to climate impacts. Water reuse also takes the pressure off municipal water supplies, extending water security and resilience of local supplies, and promoting economic growth.

**Public health and pollution solutions.** The Chamber supports accelerating cleanup of per-and polyfluoroalkyl substances (PFAS) in the environment based on the best science and risk management. Much of the challenges with nonpolymeric PFAS are linked to water pollution. Incentives for companies to deploy water reuse and recycling are a critical mechanism to reduce potential releases of PFAS (and other pollutants) in the environment and improve public health outcomes.

We stand ready to assist you as this important issue moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Chuck Chaitovitz". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Chuck Chaitovitz  
Vice President  
Environmental Affairs and Sustainability  
U.S. Chamber of Commerce