



Committee: House Energy & Commerce Subcommittee on Environment
Event: [Reliable Water in the Digital Age: Examining Legislation to Strengthen Drinking Water Systems and Protect Ratepayers](#)
Date: September 3, 2026

Executive Summary: On September 3, 2026, the House Energy & Commerce Subcommittee on Environment held a hearing to discuss two discussion drafts: the [Safe Drinking Water Infrastructure Improvement Act of 2026](#) and the [Water Cost Accountability Act](#).

- Republicans emphasized the need to protect ratepayers from the infrastructure costs of data centers while maintaining a light regulatory touch to encourage economic growth and technological innovation.
- Democrats strongly criticized the proposed \$2 billion annual cut to the Drinking Water State Revolving Fund (DWSRF) and the lack of reauthorization for the Public Water Systems Supervision Grant Program, arguing these cuts would exacerbate affordability issues and hinder lead pipe and PFAS remediation.
- Bipartisan consensus emerged around the need for increased transparency regarding data center water usage and the importance of bolstering water system cybersecurity and workforce development, particularly for small and rural systems.

Member Toplines:

[Chair Gary Palmer \(R-AL-06\)](#): Palmer focused on the need to reauthorize the DWSRF at an “appropriate level” and pointed to the slate of bipartisan priorities included in the [Safe Drinking Water Infrastructure Improvement Act of 2026](#), including “support for rural and smaller water systems, a program to provide point-of-use filters for drinking water systems at schools, and new authority to address cybersecurity risk.” He also spoke of the importance of protecting local families and businesses from facing the infrastructure costs attributable to data centers. At the same time, he highlighted the economic benefits of data centers, noting a \$15 billion investment in his district.

[Ranking Member Paul Tonko \(D-NY-20\)](#): Tonko sharply criticized the discussion drafts, arguing that it would devastate the DWSRF by reducing its authorization level by over \$2 billion annually. He also opposed the lacking reauthorization of the Public Water Systems Supervision Grant Program, which he argued is essential for state administrative capacity. While supporting the intent to make data centers pay their fair share, he called for a permanent low-income water affordability program (LIHWAP), citing many factors impacting affordability.

[Full Committee Chair Brett Guthrie \(R-KY-02\)](#)¹: Guthrie framed data centers as essential to winning the AI race against China and highlighted their potential to revitalize local economies, citing a \$4 billion investment at a brownfield site in his district. While he noted support for the

¹ A written opening statement from Chairman Guthrie was not available at the time of this memo’s distribution.

data center discussion draft being considered, he also argued that data centers can actually lower costs for rural ratepayers by providing scale to local water systems.

[Full Committee Ranking Member Frank Pallone \(D-NJ-06\)](#): Pallone accused the Republican majority and the Trump administration of prioritizing “Big Tech” over communities. He criticized data centers for relying on dirty diesel generators and straining water supplies; on the proposed DWSRF levels, he condemned the proposed \$2 billion cut, arguing that the *Infrastructure Investment and Jobs Act* was only a down payment on a \$625 billion need.

Witness Topline:

[Neil Bradley, Executive Vice President, Chief Policy Officer & Head of Strategic Advocacy, U.S. Chamber of Commerce](#): Bradley argued that reliable water is essential to the three percent annual economic growth the Chamber advocates for, framing data centers as the backbone of the modern economy. He testified that large users should pay for the costs they impose on local systems, but noted that modern data centers are highly water-efficient and often generate massive economic returns for host communities.

[Mae Wu, Founder & Principal, Health & Environmental Advising, LLC](#): Wu warned that federal funding for drinking water infrastructure has not kept pace with the national need. She strongly opposed the proposed cuts to the DWSRF, advocating instead for raising authorization levels to \$10 billion annually, creating a permanent LIHWAP, and dedicating billions to lead pipe replacement and per- and polyfluoroalkyl substances (PFAS) mitigation.

[Julie Moore, Secretary, Vermont Agency of Natural Resources & Vice Chair, Water Committee, Environmental Council of the States](#): Moore emphasized the role of cooperative federalism and the DWSRF in helping small, rural systems meet modern drinking water standards. She also warned that congressional earmarks are draining state set-aside funds used for technical assistance and urged Congress to treat the proposed DWSRF reauthorization levels as a floor, not a ceiling.

Major Takeaways:

DWSRF Funding Levels & Drinking Water Program Reauthorization:

- Ranking Member Tonko argued the discussion draft would devastate the DWSRF by reducing its authorization level by over \$2 billion annually compared to current levels.
 - Wu agreed with the sentiment, testifying that the U.S. needs between \$625 billion and \$1.6 trillion over the next 20 years to modernize water infrastructure. She argued that Congress should reauthorize the DWSRF to at least \$3.25 billion per year, and ideally \$10 billion.
- Rep. **Nanette Barragan** (D-CA-44) and Wu agreed that cutting federal support leaves local water systems with a choice between raising rates on families or delaying the treatment of contamination.
- Moore mentioned several times throughout the hearing that congressional earmarks have cost roughly \$740 million in set-aside authority over the past three years, which diminishes states' ability to provide technical assistance to small systems.

Data Center Water Use & Transparency

- Rep. **Raul Ruiz** (D-CA-25) expressed concern about data centers moving into drought-prone, impoverished areas of California.
 - Wu agreed that communities need transparency regarding a facility's peak water demand during the hottest days, rather than just average annual use.
- Rep. **Greg Landsman** (D-OH-01) stated that data centers currently use 40 to 50 million gallons of water a day, a figure projected to quadruple to 200 million gallons in the next year or two. He spoke about the need for pre-construction federal disclosure requirements.
 - Wu indicated support for pre-construction federal disclosure requirements to ensure communities understand the impact of data centers on finite resources.
- Rep. **Dan Crenshaw** (R-TX-02) argued that data centers are inevitable and warned that anti-data center campaigns on social media are being amplified by Chinese propaganda accounts to undermine U.S. digital infrastructure.

Water Affordability Programs

- Ranking Member Tonko noted that between 12 and 20 million U.S. households lack affordable access to water services and advocated throughout the hearing for a permanent LIHWAP, similar to the Low-Income Home Energy Assistance Program.
 - Wu voiced support for a permanent program, noting that the temporary 2021 program provided relief to 1.5 million people across nearly 17,000 utilities.

Lead Pipe Replacement & PFAS Contamination Mitigation

- Rep. **Rob Menendez** (D-NJ-08) highlighted that Newark successfully replaced all of its lead service lines and warned that cutting the SRF would leave another generation of children exposed to lead.
- Rep. **Jake Auchincloss** (D-MA-04) and Wu discussed the need to address PFAS contamination at the point of production using effluent limitation guidelines, rather than solely relying on municipal water systems to filter it.

Water System Cybersecurity & Workforce Development

- Rep. **Bob Latta** (R-OH-05) raised concerns about the aging water workforce.
 - Wu suggested that better water-specific data from the Bureau of Labor Statistics is needed to accurately track workforce shortages. Moore also warned of a "gray tsunami" of retiring water operators and highlighted a successful apprentice program in Vermont with the U.S. Department of Agriculture.
- Bipartisan support was offered for the discussion draft's heightened emphasis on cybersecurity, especially in light of increased threats against water systems. Reps. **Buddy Carter** (R-GA-01) and **Nick Langworthy** (R-NY-23) were especially interested in the cyber challenges facing rural systems in particular.
 - Moore welcomed the draft's attention to cybersecurity but warned that resilience funding is too small to harden the 52,000 community water systems nationwide.