CONGRESS: SAVE TAXPAYERS MONEY BY PROTECTING OPEN COMPETITION

Infrastructure will soon take center stage on Capitol Hill. And lawmakers will begin to earmark funding for states to replace our nation’s aging and deteriorating iron pipe system, to ensure the delivery of safe drinking water for the next 100 years, or more.

Fortunately, advancements in water piping technology have occurred in recent decades — and only one replacement material, PVC pipe, has been reliably proven, after peer review, to last more than a century. But unless Congress takes action to enact a national bidding process, taxpayers all across the country will continue to subsidize the ductile iron pipe industry by allowing some states to block PVC pipe from consideration.

Why? Because the Ductile Iron Pipe Research Association (DIPRA) has been campaigning hard to pressure states to protect the current restriction on PVC pipe as a possible material choice, and close bidding to competing materials that could threaten the iron pipe industry’s monopoly. DIPRA has unleashed a multi-state lobbying effort in hopes of excluding PVC pipe, out of fear PVC pipe will continue to disrupt iron pipe’s monopoly over the marketplace.

DIPRA wants to limit competition because they know it’s their license to print money. And if iron pipe makers have to face PVC pipe on the merits state-by-state, their monopoly will start to fracture. The advantages of PVC pipe over iron pipe are undeniable: PVC pipe is less expensive to manufacture, less expensive to transport, and less expensive to install, and it consistently meets or exceeds the required performance standards. Its durable, lightweight construction means it has a lower carbon footprint, too. All of this translates to lower costs to taxpayers and local ratepayers.

But here’s the kicker: Taxpayers and local ratepayers benefit from open competition even when ductile iron pipe is chosen over PVC pipe. Studies show that states can save an estimated 30 percent-50 percent when ductile iron pipe is selected in an open competitive environment — because when materials are allowed to go head-to-head, costs inevitably come down. Even states that are staunch ductile iron pipe proponents have nothing to lose — and everything to gain — by supporting open material bidding.

Existing federal policy proves open competition works. The U.S. Department of Agriculture’s (USDA) Rural Utilities Service (RUS) program has performed well for years, where piping materials are allowed to measure up in an open forum, and engineers maintain control over selection decisions.

The only way taxpayer interests are best protected is if states are required to give equal consideration to all materials that can do the job. Which seems like a pretty reasonable ask. But due to the relentless efforts by DIPRA to pressure states to block other materials, Congress must act to establish a national open bidding process to ensure federal infrastructure funds are allocated responsibly at the state and local level. Without this in place, federal resources are destined to line the pockets of the iron pipe monopoly — where manufacturers can set the price and charge whatever they wish, as no competing materials would ever see the selection table.

Recently, in this very forum, Darren Bearson, the president of a public relations firm, advocated to close state bidding for federal funded infrastructure projects. We were amused by Mr. Bearson’s attempt to spin readers that limiting markets is somehow sound GOP policy, and (wait for it) better for America. And it wasn’t lost on us that his views were remarkably similar to those being communicated by DIPRA.

It’s certainly possible the PR executive felt so moved by the politics of water infrastructure policy that it compelled him to publish an op-ed on the matter. But he’s written on this issue before, where he took direct aim at our industry — begging even the most casual observer to question his independence and credibility.

DIPRA and Mr. Bearson seem to prefer a system where states should have no checks or balances in spending the federal resources they are poised to receive. They want states to receive these grants, of course, yet both oppose efforts to ensure states spend the money wisely. This is a states’ rights issue, they argue, where the heavy hand of the federal government shouldn’t dictate how states improve their roads, bridges and water systems. Yet at the same time they want federal resources to support these projects, with no strings attached.

They can’t have it both ways. Those invoking the “states’ rights” mantra in this debate can’t cherry pick arguments from both sides to conveniently advance their own financial agendas.

Because if it truly is a states’ rights matter, as DIPRA and Mr. Bearson would have us believe, then states should be required to spend their own resources on these highly inflated iron pipe replacement projects, and be prohibited from receiving any federal infrastructure grants whatsoever.

We agree that states are entirely within their right to dedicate more of their own constituent revenue, if they wish, on inferior iron pipe products that are prone to corrosion and have a lifespan half as long as PVC pipe.

But states don’t have the right to spend federal resources to guarantee that same outcome. Because in no galaxy can “federal overreach” be invoked to characterize efforts that require states to spend U.S. infrastructure grant money responsibly, so that the interests of all U.S. taxpayers prevail.

It’s called accountability.

Richard Doyle is the president & CEO of the Vinyl Institute.