# LUNTZ RESEARCH COMPANIES

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## **MEMORANDUM**

To: Interested Parties

From: The Luntz Research Companies /Association of Metropolitan Sewerage Agencies

Re: Clean Water Trust Fund

Date: February 2004

The American people have spoken with one loud voice ... *clean water has no local boundaries*. Despite the much publicized expanding federal deficit, an overwhelming majority of Americans (83%) would support legislation in the U.S. Congress that would create a long-term, sustainable and reliable TRUST FUND for clean water infrastructure.

We interviewed 800 registered voters ( $\pm$  3.5% margin of error) from Connecticut to California. We also conducted a focus group in Baltimore, MD with roughly 15 registered voters, an Instant Response dial session in Los Angeles, CA with roughly 30 daily news consumers and a focus group in Nashville, TN with roughly 20 state and local government officials from across the country.

Young and old, Democrat AND Republican, the demand for clean water is universal. More importantly, the public is willing to pay for it. An overwhelming majority of Americans – 91% – agree that 'if, as a country, we are willing to invest BILLIONS of dollars annually in highways and airways, we certainly should be willing to make the necessary investments in our nation's waterways.'

#### **KEY STATISTIC**

Generally speaking, which of the following programs do you think is in the greatest need of a dedicated TRUST FUND that would guarantee federal money to help state and local governments pay for maintenance and improvements...?

CLEAN WATER 62%

ROADS AND HIGHWAYS 25%

AIRPORTS AND AVIATION 5%

Having said that, this money – this dedicated national funding – cannot simply get lost in the bureaucratic pipeline that connects Main Street to Washington, D.C. *A tax for water must be spent on water*. No bureaucrats. No blank checks. It starts and ends with *accountability*. If a trust fund is perceived as just another bureaucratic boondoggle – support *vanishes*.

Simply put, clean water is an issue for ALL Americans. What happens in one state happens in all states. And at the end of the day, there is only *one* national body that can ensure that all states enjoy the clean water they deserve.

In short, Americans believe this is a *national* problem that requires a *national* solution.

#### **KEY FINDINGS**

\*In addition to the survey results, you will find boxes entitled 'WORDS THAT WORK.' These are the statements that scored particularly well in the Los Angeles dial session.

1) <u>Americans believe they have a right to clean water.</u> A majority of Americans – 54% – believe that clean water is a <u>RIGHT</u>, not a privilege. Combine this with the fact that 91% of Americans say they are 'concerned' that America's waterways will NOT be clean for their children and for their grandchildren and you will understand both the intensity of feeling and the desire for action.

## WORDS THAT WORK

Of all the responsibilities of the federal government, a clean environment nationwide should certainly be among the most important. Thirty years ago the federal government funded 75% of the costs of maintaining a clean water infrastructure in America. Today they fund a mere 5%. A clean environment isn't a privilege. It is a right. And when it comes to clean water, the federal government has an obligation to do more.

## **KEY FINDING**

'It is unfair and unjust for the federal government to pay just 5% of the costs to maintain a clean water infrastructure in America.'

AGREE 66%

**DISAGREE 30%** 

2) <u>Americans believe clean water has no local boundaries.</u> Of all the arguments we tested in Baltimore, Los Angeles and Nashville, this emerged as the strongest. Simply put, fifty individual states will not get it right. They just don't have the finances or organization necessary to get it right. This is a national issue that requires dedicated national funding.

# WORDS THAT WORK

Clean water has no local boundaries. America's rivers, lakes, streams, beaches and bays are all interconnected and, therefore, extend beyond municipal and state boundaries. Given the interstate nature of clean water issues, it is critical to have the federal government involved to ensure consistent funding ... just as it does with highways and airports.

#### **KEY FINDING**

'Clean water has no local boundaries. Given the interstate nature of clean water issues, it is important to have the federal government involved to ensure consistent funding ... just as it does with highways and airports. The standards and funding should be national, but ultimate control MUST be local.'

AGREE 86%

'<u>Local problems require local solutions.</u> Yes, clean water is important, but enough is being done right now. There is no need to spend more money on this issue.'

AGREE 21%

Americans believe that the economy is inextricably linked to the nation's waterways. As one voter questioned ... where would the national economy be today without the Highway Trust Fund? Too many sectors of the American economy rely on clean waterways. As such, the problem must be addressed by *America*. They view this as an *investment in American vitality*, not a simple spending program.

#### WORDS THAT WORK

Critical sectors of our economy rely on clean water. They need it to survive. Just consider some of the nationwide business sectors that rely on clean water — the \$45 billion commercial fishing industry relies on clean water; soft drink manufacturers rely on clean water, using 12 billion gallons of it each year to generate \$54 billion in sales; the multi-billion dollar farming economy is directly linked to available clean water, general manufacturing uses 13 trillion gallons of clean water a year; clean water increases the value of shorefront properties; a multi-billion dollar water-sport industry relies on clean water. The list goes on. And all of these industries employ millions of Americans. With our nation's economic vitality at stake, dedicated funding must be a national priority.

4) <u>Americans will NOT tolerate waste, fraud or abuse.</u> There MUST be an effective firewall for this trust fund. They will support it only if it is committed to being distributed, NOT robbed.

## WORDS THAT WORK

Trust funds are often raided and spent on other programs. Maybe you have heard with great trepidation, as I have, that the Social Security Trust Fund has been raided to pay for other pet projects in Washington. If a program as vital as social security can be cannibalized, couldn't this water trust fund be even more vulnerable?

A clean water trust fund must adhere to two fundamental principles ... *accountability* and *efficiency*. This cannot be *just another* trust fund. It cannot be used to fund unrelated congressional pet projects. Americans will demand a proven return on their investment.

Again, Americans recognize the problem. They support a national solution. But they are *skeptical* about a national solution. There must be a *firewall* and and an *equitable distribution* of funds.

5) <u>Americans believe clean water is a national priority and NOT just a local responsibility.</u> For the most part, environmental issues are seen as local or state challenges. Not here. Americans believe the standards and funding should be national, but ultimate control MUST be local. On rare occasions, the public turns to Washington for help and solutions. This is one of them.

We asked Americans who they believe should be responsible for funding the necessary improvements to the nation's water and wastewater infrastructure. A majority – 54% – believe the *federal government* should be responsible verses *local ratepayers* (21%) or *both* (20%).

An overwhelming majority of Americans – 90% – believe that 'a federal investment to guarantee clean water is a critical component of our nation's environmental well-being.'

We asked Americans which statement they agreed with more ...

## **KEY FINDING**

- 69% 'Clean water is a national issue that requires dedicated national funding. As a matter of principle, the government should help states and localities pay for the necessary sewerage and wastewater treatment systems that will guarantee clean water for future generations of Americans.'
- 25% 'Clean water is a local problem that requires a local solution. The federal government is already running a \$500 billion deficit. Clean water is important, but the federal government just can't afford to s pend any more money. Local communities need to step up and pay.'

#### **POST-BALLOT**

And given all that you have now heard about this issue, if there was a bill introduced in the U.S. Congress that would create a long-term, sustainable and reliable TRUST FUND for clean water infrastructure – would you ... the legislation?

**SUPPORT 83%** 

OPPOSE 12%

## **KEY STATISTIC**

If you learned that your Congressman voted <u>FOR</u> the creation of a federal trust fund that would guarantee annual funding for clean water, would this make you ... to vote for your Congressman in the next election?

MORE LIKELY 75%

LESS LIKELY 12%

If you learned that your Congressman voted <u>AGAINST</u> the creation of a federal trust fund that would guarantee annual funding for clean water, would this make you ... to vote for your Congressman in the next election?

MORE LIKELY 20%

LESS LIKELY 63%

I'll be blunt ... this issue is NOT going to go away. The environment is an area in which Americans *expect* progress to be made, and when they do not see progress being made, they get frustrated. As they see it, a 21<sup>st</sup> Century nation should NOT have a 19<sup>th</sup> Century system to keep their water clean.

Taxes – of any kind – are never an easy sell. This, however, is one government program that has real support.

## THE DETAILS

# **FUNDING SOURCES**

Knowing that funding a clean water trust fund may result in increased taxes and costs to you, which of the following sources would you most strongly support...?

- 65% A TAX ON CORPORATIONS THAT POLLUTE THE NATION'S WATERS (CHEMICAL MANUFACTURERS, HYGIENE PRODUCT MANUFACTURERS, AGRICULTURE, ETC.)
- 14% A TAX ON COMPANIES THAT PROVIDE WATER RECREATION ACTIVITIES (RIVERBOAT GAMBLING, CHARTERED BOATS, CRUISELINES, ETC.)
- 13% A NICKEL TAX ON EVERY BOTTLED OR CANNED BEVERAGE (SODA, WATER, BEER)

## TRUST FUND NAMES

- 29% THE NATIONAL WATER QUALITY INITIATIVE
- 19% THE NATIONAL CLEAN WATER TRUST
- 19% THE CLEAN WATER PRESERVATION TRUST