

Committee on Energy and Commerce

**Opening Statement as Prepared for Delivery
of
Full Committee Ranking Member Frank Pallone, Jr.**

***Hearing on "Reliable Water in the Digital Age: Examining Legislation to Strengthen
Drinking Water Systems and Protect Ratepayers"***

September 3, 2026

Americans are concerned about what data centers and Big Tech's push for more AI means for their communities, jobs, property values, and future. Electricity prices are skyrocketing, the electric grid is strained, our clean air and water are being polluted, and noise is wearing on communities' health and patience.

People are just sick and tired of corporate special interests and Big Tech billionaires taking over their neighborhoods and threatening their utility bills, their air, their water, and their property. And unfortunately, these very real concerns are repeatedly swept to the sidelines, minimized, or ridiculed by President Trump and even Republican Congressional leaders.

Earlier this week, Trump posted on social media that communities that oppose data centers must want to end up being "backwards and poor." Again, I think I'm kind of repeating what Representative Ocasio-Cortez said, but if Trump supports data centers so much, he should support building one in Mar-a-Lago.

Meantime, here on Capitol Hill Speaker Johnson and Republican Majority Leader Scalise have refused to bring up the Ratepayer Protection Act that passed unanimously out of this Committee in July. They cite concerns from Republican members. Imagine that – House Republicans not wanting to support a bill that helps to ensure Big Tech pays for the energy these data centers consume. We will see whether they will consider the bill that we are considering today, once it gets out of committee.

That's the reality we are living in right now where Trump and House Republican leaders want to continue to give Big Tech free rein to build data centers with no federal guardrails.

And that's the reality as we discuss the Water Cost Accountability Act. While I support the intent of this bill – to ensure ratepayers are not shouldering the cost of data centers – it is woefully inadequate to address the environmental concerns of data centers. This is the Environment Subcommittee, and we should be considering the real, detrimental impacts that data centers are having on communities around the nation. We are seeing data centers running on dirty diesel generators that drive up pollution, all while the Trump Administration runs roughshod over the Clean Air Act, and then we see Trump's friends like Elon Musk, they do not care at all, they are not accountable at all.

September 3, 2026

Page 2

There are reports of data centers being approved without any analysis of their water use – even in water stressed communities. And now EPA is even trying to fast track the approval of chemicals – like new PFAS – for use in data centers, putting our drinking water and the health of Americans at risk.

We need real, substantial federal guardrails in place to restrict their impact on our air, our water, our power grid, and on our monthly utility bills. If Congress fails to adopt strong federal guidelines, then a federal moratorium on data centers should be put in place.

We are also considering the Safe Drinking Water Infrastructure Improvement Act, a discussion draft that would reauthorize several drinking water programs at the EPA. Unfortunately, this draft proposes drastic funding cuts for several grant programs that help communities access safe and affordable drinking water, including a \$2 billion proposed cut to the Drinking Water State Revolving Fund, or SRF.

The SRF is our main federal funding source for drinking water projects and helps water systems pay for capital improvements. For far too long, our aging water infrastructure has been underfunded. While the Bipartisan Infrastructure Law provided historic investments to address our infrastructure challenges, that funding was just a down payment on the \$625 billion needed over the next 20 years. The Republican draft fails to address this need.

So, communities across the nation live with the consequences of this underinvestment – from legacy lead service lines in my home state of New Jersey to the sewage pipe break right here in Washington, D.C.

It is time we must bring our water infrastructure into the 21st century. That means helping water systems prepare for and adapt to our changing climate and increasing cyber threats, considering ways to promote energy efficiency and conserve water, removing all lead service lines once and for all, and protecting communities from dangerous contaminants – like PFAS – that are plaguing our water systems. We also need a permanent water assistance program at EPA to ensure that all Americans can afford their water bills.

While this draft does include provisions I support – such as reauthorizing resources for cyber resiliency, grant programs that help remove lead from drinking water, and programs that help small and disadvantaged communities comply with Safe Drinking Water Act requirements – it falls far short of the current needs. And with that, I yield back.