



May 30, 2014

The Honorable Harold D. Rogers, Chair
The Honorable Nita M. Lowey, Ranking Member
Committee on Appropriations

The Honorable Ken Calvert, Chair
The Honorable Jim Moran, Ranking Member
Appropriations Subcommittee on Interior, Environment & Related Agencies
U.S. House of Representatives

Dear Members of Congress,

Earlier this month Congress approved an innovative, fiscally responsible water infrastructure funding pilot program in the Water Infrastructure Finance and Innovation Act (WIFIA) as part of H.R. 3080. Now, as you put together the FY 2015 Interior, Environment, and Related Agencies Appropriations bills we urge you to fully fund EPA's WIFIA pilot program at its authorized amount of \$20 million, while also rejecting President Obama's drastic cuts proposed for the Drinking Water and Clean Water State Revolving Fund (SRF) programs. WIFIA and the SRFs are designed to address different needs, so adequate funding for each program is essential to renew and rehabilitate the nation's water infrastructure.

Water Infrastructure Finance and Innovation Act (WIFIA)

With the authorization of WIFIA this spring, Congress has set a goal of boosting the nation's investment in larger-scale water infrastructure, and in a manner that is budget neutral in the long term. Based on the transportation program known as TIFIA, the WIFIA pilot program is designed to leverage relatively modest appropriations by Congress into loans for water and wastewater projects that are typically too large to receive meaningful SRF assistance (WIFIA loans are only available for qualifying projects expected to cost more than \$20 million, or \$5 million if the project serves a small community). Given the historic security of loans to water utilities, the leverage ratio of WIFIA loans can be expected to be even greater than that for the transportation program. Thus WIFIA has the potential to deliver tremendous impacts in rebuilding the nation's water infrastructure. We urge you to fully fund EPA's WIFIA pilot program at \$20 million next year to both advance water infrastructure investment and demonstrate how this innovative financing option can benefit communities across the country.

State Revolving Loan Funds (SRFs)

Meanwhile, the Drinking Water and Clean Water SRF programs have proven to be excellent tools for providing support for water infrastructure that protects public health and the environment, particularly for small to medium-sized communities. It is important to note that the SRFs, with their focus on directing assistance to projects necessary to achieve compliance with the Safe Drinking Water Act and the Clean Water Act, respectively, have a narrower scope than WIFIA, which offers eligibility to a wider variety of water infrastructure projects. For this reason, funding for WIFIA should not come at the expense of the SRFs, just as SRF funding should not come at the expense of WIFIA. For FY 2015 Congress should fund the WIFIA program at the authorized amount of \$20 million and the SRF programs at their FY2014 levels, at a minimum. Then all facets of the nation's water infrastructure – projects large and small, compliance-focused or forward-looking – may have a chance to compete for low-cost financing.

We look forward to working with Congress in addressing the challenges of the country's aging infrastructure and offer the expertise and experiences of our members across the country in answering any questions you may have.

Sincerely,

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cc/ Members, House Committee on Appropriations
Senate Committee on Appropriations