



November 9, 2015

The Honorable James Inhofe
Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

The Honorable Barbara Boxer
Ranking Member
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

The Honorable Bill Shuster
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Peter DeFazio
Ranking Member
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, D.C. 20515

Dear Conferees:

On behalf of the nation's drinking water and wastewater utilities, we are writing to request your support for including a critical modification to the "Water Infrastructure Finance and Innovation Act" (WIFIA) within the final transportation reauthorization legislation developed by the conference committee.

As you are aware, last year Congress approved the "Water Infrastructure Finance and Innovation Act" (WIFIA), which authorizes a five-year low-interest loan pilot program for large-scale water infrastructure projects. WIFIA has enjoyed broad bipartisan support, but its potential has been limited by a provision that prohibits communities from funding water infrastructure projects with a combination of WIFIA loan funds and tax-exempt debt. We believe that the ban on supplementing WIFIA loans with municipal bonds and other tax-exempt debt will significantly discourage use of the new loan program.

In July the U.S. Senate provided language in Section 15003 of the DRIVE Act to repeal this unworkable limitation and allow communities to fund water infrastructure projects through a combination of WIFIA loans and tax-exempt debt. Section 15003 would not prevent any WIFIA recipient from continuing to explore additional sources of project funding, such as taxable debt or a partnership with a private sector organization, and would therefore position WIFIA as an attractive option to help communities across the country affordably finance major water infrastructure projects.

Now, as members of the House and Senate meet to develop a final transportation reauthorization bill, it is critically important that this WIFIA fix found in Section 15003 remain part of the final legislation. Without this adjustment to the WIFIA law, Congress would risk allowing WIFIA's entire five-year pilot phase to lapse without ever giving the program an opportunity to function as originally envisioned – as source of low-cost financing to supplement a community's own investment in major water and wastewater infrastructure projects. Given our nation's well-documented water infrastructure investment needs, failing to provide WIFIA with the tools to succeed would represent a remarkable missed opportunity.

Again, we strongly support the WIFIA modification found in Section 15003 of the DRIVE Act, and encourage its inclusion in Congress' final transportation reauthorization legislation.

Sincerely,

American Water Works Association
National Association of Clean Water Agencies
Water & Wastewater Equipment Manufacturers
Association

Association of Metropolitan Water Agencies
Water Environment Federation