



THE UNITED STATES
CONFERENCE OF MAYORS



August 4, 2021

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, D.C.

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, D.C.

Dear Leader Schumer and Leader McConnell:

On behalf of the nation's municipal governments and public wastewater and drinking water utilities we represent, we write in support of the Merkley/Inhofe Amendment #2514 being offered to the bipartisan infrastructure legislation being considered by the Senate this week. This important amendment would increase the percentage of clean and drinking water funds available as grants rather than loans for communities to invest in critical water infrastructure projects.

We appreciate the hard work by the White House and Senate to craft bipartisan comprehensive infrastructure legislation that reinvests in our nation's water infrastructure. As the costs of maintaining and upgrading water infrastructure and complying with the Clean Water Act (CWA) and Safe Drinking Water Act (SDWA) have grown, the cost burden has overwhelmingly been shouldered by local ratepayers and states. The federal cost-share on clean and drinking water infrastructure has fallen to below 5 percent of total investment, far lower than other critical infrastructure sectors.

The bipartisan infrastructure plan takes important steps to address this challenge. However, as Congress works to finalize a once-in-a-generation infrastructure investment and jobs bill, we strongly believe the highest level of direct investment in the form of grants or forgivable loans is imperative to ensuring communities can affordably invest in necessary clean and drinking water infrastructure to protect public health and the environment.

The Merkley amendment directs that states shall use *not less than 50 percent* of the amount of capitalization grant funding they receive from the bipartisan infrastructure bill through the Clean Water and Drinking Water State Revolving Funds (SRFs) to provide additional subsidization in the form of 100 percent forgiveness of principal or grants. The amendment further requires states to award all capitalization grant funding received for lead service line replacement projects to eligible recipients as 100 percent principal forgiveness loans or grants. For comparison, the bipartisan infrastructure bill directs that states shall use exactly 49 percent of their capitalization grants for such purposes. The Merkley/Inhofe amendment would also require no matching or cost share requirements from the state. These provisions are essential to ensuring states and local communities can fully access these dollars.

Communities across the country would appreciate your support of this important amendment to fundamentally strengthen U.S. water infrastructure and position communities to meet the challenges that lie ahead.

Sincerely,

American Water Works Association
Association of Metropolitan Water Agencies
National League of Cities
National Association of Clean Water Agencies
National Association of Counties
National Rural Water Association
Rural Community Assistance Partnership
The U.S. Conference of Mayors
Water Environment Federation