



July 22, 2020

The Honorable Jim McGovern  
Chairman  
Committee on Rules  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Tom Cole  
Ranking Member  
Committee on Rules  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman McGovern and Ranking Member Cole:

On behalf of the nation’s drinking water, clean water, and water recycling systems, we write today to express our support for Speier Amendment #66 to the FY21 Interior, Environment, and Related Agencies appropriations legislation. This amendment would express the sense of Congress that communities that are in good faith pursuing a loan through EPA’s Water Infrastructure Finance and Innovation Act (WIFIA) program should not be required to restart the loan application process if Congress subsequently revises project eligibility criteria.

Congress established WIFIA in 2014 and made its first appropriation in support of the program in FY17. Since then WIFIA has enjoyed bipartisan support and consistent funding. As a result, to date 24 WIFIA loans have closed, delivering \$5.3 billion in total project financing. An additional 51 projects have submitted applications or have been invited to do so.

As proposed, the House’s FY21 Interior, Environment, and Related Agencies spending bill includes no new direct appropriations for WIFIA. Instead, the bill would rescind all outstanding unobligated WIFIA appropriations from the 2017, 2018, and 2019 fiscal years and use this funding – estimated by the Appropriations Committee to be roughly \$71 million – to support new loans in FY21. We understand the intent of this approach is to ensure all loans that close in the future are consistent with new “budgetary scoring criteria” published by EPA and OMB on June 30, which seeks to prevent federally owned projects from obtaining WIFIA financing.

While we have no objection to excluding federal projects from WIFIA eligibility going forward, as proposed the legislation would rescind all pre-FY20 funds associated with loans that are unobligated. But in practice if a community is in the process of applying for a loan, the funds that would go to that loan are technically unobligated until closing occurs. This is particularly troubling because, due to the COVID-19 crisis, EPA has been allowing applicants additional time to complete their full applications and negotiate loan terms, since water systems have had to direct more resources towards managing the crisis. Nevertheless, if a community does not close on its WIFIA loan before the FY21 spending legislation goes into effect, the funds would disappear and the community would have to begin the application process all over again.

This means that as many as 51 different projects – 15 that have applied for FY18 funding, 15 that have applied for FY19 funding, and 21 that have been invited to apply for FY19 funding but have not yet submitted an application – would have to start over and submit a new letter of interest to seek a WIFIA loan in FY21. However, because no additional FY21 WIFIA funding would be appropriated, these projects would compete for a share of these limited funds against other projects that will seek WIFIA loans for the first time in FY21. Ultimately, the appropriations bill would fund fewer water infrastructure projects, while pulling the rug out from dozens of communities that believed in good faith that they were on their way to securing a WIFIA loan.

July 22, 2020

Page 2 of 2

Many would likely give up, having lost faith in the federal government's ability to administer loans, and thus would have to seek infrastructure loans under terms more expensive to their ratepayers.

Speier Amendment #66 would simply assert that projects that have already been invited by EPA to apply for a share of FY18 or FY19 WIFIA funds should not have to begin this application process all over again under a new set of rules in FY21. The amendment would send an important signal to appropriators to prioritize fixing this problem – and protecting WIFIA loans for dozens of water infrastructure projects nationwide – as EPA's final FY21 spending bill is negotiated. We urge the committee to make it in order.

We thank you for your attention to this issue and look forward to working with Congress to protect the integrity of the WIFIA program.

Sincerely,

American Water Works Association  
Association of Metropolitan Water Agencies  
National Association of Clean Water Agencies  
National Association of Water Companies  
US Water Alliance  
National Water Resources Association  
Water Environment Federation  
WaterReuse Association