



July 8, 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

Dear Chairman Inhofe and Ranking Member Boxer:

On behalf of the nation's drinking water and wastewater utilities, we wish to congratulate your committee for its unanimous passage of the "Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act." We also thank you for including within the bill's manager's amendment a critical provision that will help more communities fully utilize the Water Infrastructure Finance and Innovation Act (WIFIA) loan pilot program.

As you are aware, Congress approved WIFIA last year as part of the "Water Resources Reform and Development Act." WIFIA authorizes a five-year low-interest loan pilot program for large-scale water infrastructure projects, and EPA staff is currently at work developing the guidelines for the program. Congressional appropriators have also given a vote of confidence to the program, including WIFIA administrative funds in the House and Senate FY16 Interior-EPA spending bills respectively approved by each chamber's Appropriations Committee this year.

However, WIFIA's potential has been limited by a last-minute provision added to the legislation that would prohibit communities from funding water infrastructure projects with a combination of WIFIA loan funds and tax-exempt debt. While this language was necessary in order to secure a neutral budget score for WIFIA, our water utility members have warned that requiring WIFIA loan recipients to draw at least fifty-one percent of project funding from sources aside from municipal bonds and other tax-exempt debt would significantly discourage use of the new loan program.

We are therefore extremely pleased that the manager's amendment to the DRIVE Act would repeal this unworkable limitation, and fully allow communities to fund water infrastructure projects through a combination of WIFIA loans and tax-exempt debt. Furthermore, this language 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. As a result, it ensures maximum flexibility to make WIFIA an attractive infrastructure financing option for water and wastewater utilities across the country.

Again, we thank you for including this important fix with in the DRIVE Act, and we appreciate your continued efforts to enshrine this fix into law.

Sincerely,

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