



**American Water Works
Association**

Dedicated to the World's Most Important Resource™

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Keep the momentum going in water infrastructure investment

Actions Requested:

- Pass H.R. 4492/S. 2329 to reauthorize and boost funding for the Water Infrastructure Finance and Innovation Act (WIFIA)
- Support a doubling of appropriations for the drinking water state revolving loan fund program to \$1.7 billion

Background

The AWWA study “Buried No Longer” analyzed the history of investment in water infrastructure in the United States, the types of pipe material used and the lifespan of those materials. It took that data to forecast future pipe failure and the cost of replacement. “Buried No Longer” found that the U.S. will need to invest \$1 trillion in the next 25 years to maintain our current level of service and to serve a growing population. About 54 percent of those water infrastructure needs will be for replacement of aging pipes and 46 percent is needed to address population growth and movement. Wastewater infrastructure needs have been historically about equal to those for drinking water.

Even EPA’s latest needs survey – which historically provides much lower dollar figures because it is survey-based and focused primarily on serving the SRF program – estimates that in the next 20 years, the U.S. will need to invest \$313 billion in pipelines, \$83 billion in treatment facilities, \$48 billion in storage infrastructure and \$22 billion in source water facilities.

WIFIA

AWWA and other members of the water community deeply appreciate the confidence that Congress expressed in the WIFIA program in the FY2018 omnibus budget bill by boosting funding to \$63 million. The \$30 million that Congress appropriated the previous year was leveraged at a ratio of 92:1, meaning that for every dollar appropriated, WIFIA was able to loan \$92.

Congress created WIFIA in June 2014, but the program did not receive funding to make loans until FY2017. Therefore, it is just now showing what it can do. After the first notice of funding availability, EPA’s WIFIA office received 43 letters of interest from utilities and similar entities across the country about potential WIFIA loans. From those, 12 entities were invited to proceed to the formal application process. Those 12 projects will receive \$2.3 billion in loans, and since

WIFIA supports no more than 49 percent of a project's costs, that means \$5.1 billion in infrastructure investment will occur. EPA estimates this will impact 20 million people in nine states in small, medium and large communities. Consider the impact the \$63 million provided in FY2018 can have.

However, authorization for WIFIA expires at the end of FY2019. It would be a real setback to addressing the nation's water infrastructure needs if this efficient program were to go away. Fortunately, there is bipartisan legislation in both houses of Congress now to reauthorize the program and increase its authorized funding. That legislation is H.R. 4492 and S. 2329, the Water Finance and Innovation Reauthorization Act. We thank Reps. Brian Mast of Florida, Sens. Patrick Maloney of New York, Bob Gibbs of Ohio, Julia Brownley of California and Sens. John Hoeven of North Dakota and Cory Booker of New Jersey for their leadership on WIFIA reauthorization.

The bills would also jump-start implementation of the WIFIA program authorized for the U.S. Army Corps of Engineers.

State revolving loan funds (SRFs)

The SRF program for drinking water systems has provided much-needed support, primarily for small to medium-sized projects or communities, since 1996. This program is able to provide special assistance for particularly distressed communities, such as negative-interest loans or principal forgiveness. State water agencies use a portion of the annual capitalization funds to help administer the federal Safe Drinking Water Act. It is vital that this successful program be maintained and strengthened. We appreciate the \$300 million boost each SRF program received in the FY2018 omnibus bill. However, the need for the assistance the SRFs can provide remains. We therefore request that the drinking water SRF program be funded at \$1.7 billion for FY2019.

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