

## Shuster Infrastructure Bill Boosts WIFIA But Stops Short Of Senate Approach

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A draft bill floated by Rep. Bill Shuster (R-PA), the departing chairman of the House transportation committee, proposes a series of steps to bolster EPA's nascent water infrastructure loan guarantee program but stops short of backing the more far-reaching overhaul that the Senate is expected to vote on this summer.

**Shuster's legislation**, unveiled July 24, signals a wide-divide in Congress on how to overhaul EPA's Water Infrastructure Finance and Innovation Act (WIFIA) program and raises doubts on whether rural and other water utilities will be able to convince lawmakers to back the Senate's approach, which seeks to earmark portions of EPA's existing WIFIA funds for smaller entities. By contrast, Shuster's bill -- which increases the program's authorized funding levels, lowers participants' match requirements and other measures -- is winning praise from drinking water utilities that oppose the Senate legislation.

“We couldn't be happier to see this,” Tommy Holmes, American Water Works Association (AWWA) legislative director, told *Inside EPA*. The bill “reauthorizes WIFIA at a healthy level,” and changes to the funding formula would likely lessen the impact on the federal government and allow the bill to receive a neutral budget score from the Congressional Budget Office (CBO), he said.

Congress established WIFIA as a pilot program in 2014, modeled on a similar transportation infrastructure funding program known as the Transportation Infrastructure Finance and Innovation Act. WIFIA allows EPA to provide low-interest federal loans and loan guarantees from the U.S. Treasury that cover up to 49 percent of large infrastructure and water reuse projects, with utilities or states responsible for coming up with the remaining 51 percent of the project.

But rural and other smaller utilities are concerned that the current program limits their access to the funds. They have advocated for pending water resource legislation in the Senate, which contains a provision that would create a subset of WIFIA loans specifically for state financing agencies.

The Senate environment committee attached the legislation, known as Securing Required Funding for Water Infrastructure Now (SRF WIN), to pending legislation authorizing Army Corps of Engineers projects.

But the Senate committee recently **had to scale back the legislation** to overcome a CBO estimate that found an earlier version of the program would reduce federal revenues by \$2.6 billion over 10 years and open the door to a point of order that would require 60 votes to overcome.

And sources say there may be several holds on the Senate bill, S. 2800.

An environment committee spokesman says Chairman John Barrasso (R-WY) “continues to work with [Majority] Leader [Mitch] McConnell [R-KY] on timing” for the water resources bill. “The Chairman expects the bipartisan bill to pass the Senate this summer,” the spokesman says. Supporters of the Senate legislation, which include the National Rural Water Association and the National Association of Clean Water Agencies, argue the changes are necessary to provide additional funding for small and rural communities. But opponents, which include AWWA, the Association of Metropolitan Water Agencies and the Water Environment Federation, charge the Senate bill will hamstring WIFIA and reduce overall federal water infrastructure funding.

### **Shuster's Draft Bill**

But Holmes says leadership of the House transportation and energy committees -- the two committees that address water issues -- appears to have no interest in the Senate's approach. That could make it harder for the Senate language to survive a House-Senate conference on the water resources bill, which has already passed the House.

Shuster's draft bill floats a series of steps that appear aimed at putting the current WIFIA program on stronger footing, including boosting authorized funding levels and lowering participants' match requirements.

While the law currently requires WIFIA to fund 49 percent of a project's cost and the recipient to cover the remaining 51 percent, Shuster's discussion draft would change those percentages to have the federal government provide 80 percent of the funding for a project and only require 20 percent in matching funds, according to a section-by-section [summary of the bill](#).

The bill would authorize funding for WIFIA at \$6 million annually rather than the current \$2.2 million.

Additionally, while removing WIFIA's pilot status, the bill would expedite EPA's consideration of WIFIA applications from state financing agencies, allow EPA to waive application processing fees for such agencies, and waive the need for duplicate environmental and engineering reviews for most states.

The bill would also formally authorize on-going EPA efforts to help municipalities develop watershed-based plans to achieve water quality standards, require EPA to establish simplified procedures for communities to obtain assistance through the clean water state revolving fund, reauthorize EPA grants to states to help them implement the CWA and reauthorize EPA's nonpoint source management program. -- *Lara Beaven* ([lbeaven@iwpnews.com](mailto:lbeaven@iwpnews.com))

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