



November 12, 2021

The Honorable Patrick Leahy, Chair
Appropriations Committee
U.S. Senate
Washington, D.C. 20510

The Honorable Richard Shelby, Vice Chair
Appropriations Committee
U.S. Senate
Washington, D.C. 20510

The Honorable Jeff Merkley, Chair
Subcommittee on Interior, Environment,
Related Agencies
U.S. Senate
Washington, D.C. 20510

The Honorable Lisa Murkowski, Ranking
Member
Subcommittee on Interior, Environment,
Related Agencies
U.S. Senate
Washington, D.C. 20510

RE: 2022 Appropriations for the Clean Water and Drinking Water State Revolving Funds

Dear Senators:

The Council of Infrastructure Financing Authorities (CIFA), which represents the Clean Water and Drinking Water SRFs, has concerns about the impact of mandates for additional subsidy in the proposed 2022 budget for the U.S. Environmental Protection Agency.

Concern: Mandates for additional subsidy in the appropriations bill are **duplicative** of mandates for additional subsidy in the Infrastructure Investment and Jobs Act (H.R. 3684) which is expected to be signed by President Joe Biden soon.

Background: Since 2009, annual appropriations bills have mandated that Clean Water and Drinking Water SRFs use a percentage of their capitalization grant for additional subsidy in the form of principal forgiveness, grants and negative interest loans. The Infrastructure Investment and Jobs Act (H.R. 3684) make these mandates permanent in the Clean Water Act and Safe Drinking Water Act.

Impact: Every SRF dollar used for additional subsidy permanently eliminates a recurring source of revenue for water infrastructure. Doubling the mandate for additional subsidy significantly erodes the power of the SRF to fund infrastructure for future generations.

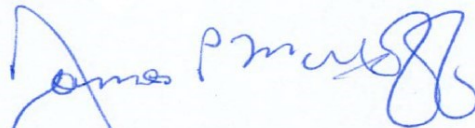
Recommendation: Restore flexibility to the SRFs by adding the words “up to” before 10% of the and 14% in the bill ([page 87 and 88](#)).

Provided further, That up to 10 percent of the funds made available under this title to each State for Clean Water State Revolving Fund capitalization grants and up to 14 percent of the funds made available under this title to each State for Drinking Water State Revolving Fund capitalization grants shall be used by the State to provide additional subsidy to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these), and shall be so used by the State only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred on or after the date of enactment of this Act, or where such debt was incurred prior to the date of enactment of this Act if the State, with concurrence from the Administrator, determines that such funds could be used to help address a threat to public health from heightened exposure to lead in drinking water or if a Federal or State emergency declaration has been issued due to a threat to public health from heightened exposure to lead in a municipal drinking water supply before the date of enactment of this Act:

Thank you.

Thank you for your consideration of this recommendation. Your action will ensure SRFs can continue to fund water infrastructure for future generations. If CIFA can be of any assistance, please contact Deirdre Finn, CIFA’s Executive Director, at dfinn@cifanet.org or (850) 445-9619.

Sincerely,



James P McGoff
COO and Director of Environmental Programs
Indiana Finance Authority
CIFA President

About CIFA

CIFA is a national not-for-profit organization that represents the Clean Water and Drinking Water State Revolving Funds (SRFs), the nation’s premier programs for funding water infrastructure that protects public health and the environment.

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