November 3, 2020

The Honorable Dianne Feinstein
The Honorable Kamala Harris
U.S. Senate
Washington, D.C. 20510

Re: Fiscal Year 2021 WIFIA Rescission Language

Dear Senators Feinstein and Harris:

The California Association of Sanitation Agencies (CASA) writes to request that as the Senate and House finalize the Interior and Environment Fiscal Year 2021 Appropriations Bill (Appropriations Bill) that you oppose House-passed language that rescinds prior years appropriated Water Infrastructure Finance and Innovation Act (WIFIA) funding. The rescission language would constrain the U.S. Environmental Protection Agency’s (USEPA) implementation of the successful WIFIA program and jeopardize financing of California water infrastructure projects. We further request that you support $71 million in FY 2021 for WIFIA.

CASA represents more than 125 local public agencies engaged in collecting, treating, and recycling wastewater to ensure the protection of public health and the environment. A number of CASA’s member agencies have utilized the WIFIA program already and many more are interested in financing important water infrastructure projects using this program in the future.

Congress passed WIFIA in 2014 and provided the first appropriation in Fiscal Year 2017 on a bipartisan basis. Unencumbered funding has been provided in each subsequent year. USEPA, to date, has invited 89 projects to apply for WIFIA loans. Of these projects, 24 loans have closed, leveraging $5.3 billion in total project financing. Currently, fifty-one projects are in the financing queue or have been invited to submit an application, many of them California projects.

The House-passed Appropriations Bill includes $71,000,000 to support WIFIA, which CASA fully supports. However, it also includes language that rescinds unobligated Fiscal Years 2017, 2018, and 2019 funding. This latter provision, if enacted, would make Fiscal Year 2021 appropriations revenue neutral, but would also adversely impact the program’s ability to finance numerous pending WIFIA applications.

If the House rescission language is enacted, it would also complicate final approval of pending loan applications and throw into question the ability to meet the growing demand for WIFIA assistance. Many of these applications are California water projects designed to improve water quality and help drought-proof the State. It is important to note that the time it requires to close a WIFIA loan is a detailed and time-consuming process. A WIFIA loan approval and the obligation of funds is a function of ensuring that any approved project is financially viable and that the applicant has satisfied the federal criteria established to guarantee the project satisfies WIFIA’s purposes.
The WIFIA program offers a cost-effective approach to invest in our water infrastructure while improving public health and the environment. The rescission of prior year funding would derail critical water infrastructure planning and construction by dozens of municipalities throughout the nation. Such an action makes little sense, especially when projects are proceeding with finalization of loan agreements. We urge you to work to eliminate the rescission language when the Senate considers the Fiscal Year 2021 Interior and Environment Appropriations Bill. 

Thank you for the opportunity to comment, and if you have any questions, please do not hesitate to contact me at (916) 446-0388 or alink@casaweb.org.

Sincerely,

Adam D. Link  
Executive Director