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Senators Reach Deal to Help State Water Programs After Flint.

WASHINGTON — U.S. Senators unveiled legislation on Wednesday providing federal aid to help states fix water infrastructure in the wake of Flint, Michigan's crisis over lead-tainted drinking water.

Senators James Inhofe, an Oklahoma Republican, and Debbie Stabenow, a Michigan Democrat, and others introduced the measure providing \$100 million to a revolving fund states can tap if they have drinking water problems.

The funding in the agreement is paid for by cuts from the Advanced Technology Vehicles Manufacturing loans for auto companies, aimed to speed development of electric cars and other technologies. Inhofe called it a "failed program" that hasn't been used in more than a year and has only issued five loans since 2008.

It was unclear whether the measure would be attached to a wide-ranging energy bill that failed to advance early this month or whether the senators would try to pass it as a separate bill.

Under the plan, states must first explain how the money would be spent, according to details of the agreement. If they do not use the aid in 18 months, it would return to the federal government.

"This is not a blank check," according to a document explaining the deal.

Thousands of children in Flint, a predominantly African-American city of 100,000, are believed to have consumed dangerous amounts of lead in drinking water after a state-appointed emergency manager directed the city to switch from Detroit's drinking water supply to the Flint River. Lead is a neurotoxin that can harm brain development in children.

Under the deal, Flint and the states would also have access to \$70 million in a credit subsidy under a federal program called the Water Infrastructure Finance and Innovation Authority, or WIFIA.

Congress conceived the WIFIA to help lower borrowing costs for municipal water projects. The federal program acts as a loan guarantee, rather than a grant, and is aimed at bringing borrowing costs in line with U.S. government bond rates.

Some critics say local governments need direct federal aid, not borrowing support, to improve infrastructure.

There would also be \$50 million in aid available for national use for a childhood lead poisoning prevention program, a health registry and other items. Earlier this month, Michigan lawmakers had at first opposed getting funding from the advanced vehicles program, saying it would hurt auto workers.

By REUTERS

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(Reporting by Timothy Gardner; Additional reporting by Patrick Rucker; Editing by Jonathan Oatis and Alan Crosby)

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