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Proposed Infrastructure Plan Would Increase WIFIA Appropriations.

As part of a draft infrastructure bill released last week by House Transportation and Infrastructure Committee Chairman Bill Shuster (R-Pa.), the U.S. Environmental Protection Agency's (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) program would be reauthorized at $250 million over five years.

According to the Association of Metropolitan Water Agencies (AMWA), Shuster's bill is not expected to advance through Congress in its entirety this year. However, the WIFIA component and other water-related provisions could lay a marker ahead of the House's anticipated negotiations with the Senate later this year over another water resources bill that includes a controversial SRF WIN provision that proposes to create a new version of WIFIA exclusively for state infrastructure finance agencies.

According to AMWA, Shuster's draft legislation features a number of water, transportation and infrastructure policies "intended to further the national conversation about the current state of America's infrastructure" and set a course for effective reforms.

In addition to authorizing Congress to appropriate up to $50 million for WIFIA in each of the next five years, the bill would make a number of relatively modest changes to improve operation of the program. These include allowing EPA to aid the U.S. Army Corps of Engineers in standing up its own version of WIFIA (a concept featured in legislation earlier endorsed by AMWA); increasing from 49 percent to 80 percent the maximum amount of a project's cost that may be financed through a WIFIA loan; and requiring applicants to produce a final credit rating opinion letter from only one rating agency, rather than two.

According to AMWA, absent from Shuster's bill are major provisions that resemble components of the controversial SRF WIN Act, legislation incorporated into a Senate water resource bill that would establish a separate version of WIFIA – with preferred loan terms – exclusively for state infrastructure financing authorities.

AMWA has strongly opposed the SRF WIN Act due to its potential to undercut the leveraging ability of the current WIFIA program and its unequal interest rate treatment of different states. The lack of SRF WIN language in Shuster's proposal indicates that House Republican leaders share these concerns. Shuster's draft bill does include some streamlining for WIFIA applications compiled by states – such as helping them avoid duplicative environmental reviews, allowing EPA to offset some processing fees and establishing an expedited application review timeline – but these fall well short of the numerous preferences given to state-compiled projects under the SRF WIN proposal.

RELATED: Senate hearing avoids SRF WIN details, AMWA says

Other parts of Shuster's bill would reauthorize the Clean Water State Revolving Fund (SRF) at $15 billion over five years and create a new EPA technical assistance program for small and rural treatment works. The bill does not contain any policy reforms or reauthorizations related to the

Drinking Water SRF, as that program falls outside the authority of Shuster's committee.

Although Shuster's bill is not expected to receive a vote in the House before the end of the year, Congressional staff have indicated that its water infrastructure provisions may serve as the House's starting point when the time comes for the House and Senate to negotiate SRF WIN and a number of other changes to EPA programs proposed by a Water Resources Development Act (WRDA) reauthorization bill pending in the Senate.

Separate WRDA legislation approved by the House in May left EPA programs untouched, so Shuster's draft bill may be viewed as his initial counteroffer to changes proposed in the Senate's WRDA bill.

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BY WFM STAFF

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