

Council of Infrastructure Financing Authorities

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Statement for the Record

“The Long-term Value to U.S. Taxpayers of Low-cost Federal Infrastructure Loans”

U.S. Senate Committee on Public Works and the Environment

July 11, 2018

The Council of Infrastructure Financing Authorities is pleased to submit this statement for the record for a hearing by the U.S. Senate Committee on Public Works and the Environment on “The Long-term Value to U.S. Taxpayers of Low-cost Federal Infrastructure Loans” on July 11, 2018.

The Council of Infrastructure Financing Authorities supports S. 2800, America’s Water Infrastructure Act of 2018, which was amended to include “Securing Required Funding for Water Infrastructure Now Act” (SRF WIN) by a unanimous vote of the U.S. Senate’s Subcommittee on Transportation and Infrastructure on May 22, 2018. The SRF WIN provisions provide a valuable new financing tool for states that will increase investment in water infrastructure across the nation.

For more than 30 years, the federal government has partnered with states to fund water infrastructure through the Clean Water and Drinking Water State Revolving Funds. These proven, successful programs, which receive annual funding from both federal and state governments and provide low interest loans and other assistance to communities to build critical water infrastructure that protect public health and the environment.

Over the last three decades, these programs, combined, have generated an investment of more than \$150 billion in our nation’s water infrastructure. Because of the revolving nature of the programs – loan repayments fund new projects – these programs ensure a long-term, sustainable supply of capital to address future needs.

The SRF WIN provisions provide a streamlined path for State Revolving Funds to access low-interest funding offered through the Water Infrastructure Finance and Innovation Act (WIFIA). These provisions provide all states with an efficient and economically-attractive alternative to the private bond market that will allow the SRFs to fund more projects.

Providing State Revolving Funds with a more efficient process for securing loans backed by the U.S. Treasury enhances the fundamental financial stability and effectiveness of these state-federal partnerships. Additionally, the SRF WIN streamlining provisions eliminate fees, reduce red-tape and avoid needless duplication which can drive up the cost of water infrastructure projects.

Greater investment in water infrastructure benefits the public, the economy and the environment. Projects funded by the State Revolving Funds have provided tens of millions of Americans, particularly those in low income and underserved communities, with access to safe, reliable drinking water and have increased protection for America's sensitive water resources which are the foundation for healthy and vibrant wildlife habitats.

The Council of Infrastructure Financing Authorities (CIFA) is a national association dedicated to representing the interests of state agencies that are responsible for implementing and managing the Clean Water and Drinking Water State Revolving Funds. Our members include state health departments, environmental protection agencies, and infrastructure finance authorities. Although diverse, these agencies share a common mission – to implement financially sound policies and strategies that provide ongoing and sustainable investment in critical water infrastructure that protects public health and conserves our sensitive natural resources for generations to come. Our members are grateful to the leadership of the Committee and the U.S. Senate for their unwavering commitment to investment in our nation's water infrastructure.