



The New York Water Environment Association, Inc.
The Water Quality Management Professionals

525 Plum Street • Suite 102

Syracuse, New York 13204

(315) 422-7811 • Fax: 422-3851

www.nywea.org • e-mail: pcr@nywea.org

August 13, 2013

The Honorable Tom Reed
1504 Longworth House Office Building
United States House of Representatives
Washington, D.C. 20515

Dear Congressman Reed,

The New York Water Environment Association (NYWEA) is a statewide nonprofit organization of 2,500 water professionals dedicated to the preservation, protection and enhancement of New York's water resources.

According to the U.S. Environmental Protection Agency (EPA), New York faces more than \$57 billion in unmet water and wastewater infrastructure financing needs. Representing one of thousands of organizations with a stake in rebuilding New York's dilapidated water and wastewater infrastructure, The New York Water Environment Association Board of Directors strongly urge you to sponsor legislation to encourage private capital investment in water and wastewater projects and to support innovative financing legislation that will increase federal funding for water and wastewater projects.

Private activity bonds (PABs) are the most efficient tools to leverage private capital and finance long-term, capital-intensive infrastructure projects. However, the use of PABs for water and wastewater infrastructure is extremely limited because of a federally imposed annual state volume cap that essentially limits water project funding to 1% of total bond issuance.

In 2001, EPA's Environmental Financial Advisory Board recommended that private activity bonds for water and wastewater facilities be exempt from the state volume cap after recognizing that "state volume caps were constraining tax-exempt financing in a way that was limiting the supply and/or increasing the cost of investment funds."

I encourage you to embrace EPA's recommendation to remove water and wastewater projects from the restrictive PAB state volume cap by sponsoring legislation and working to advance the measure through Congress. The legislation will help local communities in New York State repair and replace aging infrastructure and further strengthen infrastructure resiliency by providing much needed access to capital while containing costs.

Additionally, NYWEA and the Water Environment Federation, which is the national organization for professionals in the wastewater and stormwater sector, encourages you to support Water Infrastructure Financing Innovation Authority (WIFIA) legislation, which will provide low interest loans and loan guarantees similar to the way TIFIA does for transportation projects. The Senate included a WIFIA pilot program in the recently passed Water Resources Development Act (WRDA), and the House Transportation & Infrastructure Committee is working on either stand-alone WIFIA legislation or a provision in a House version of WRDA. When WIFIA is introduced in the House, please cosponsor the legislation. Just as with PABs, WIFIA will provide much needed financing for critical water and wastewater infrastructure projects across the state of New York.

Thank you for your consideration and support.

Sincerely,

A handwritten signature in black ink, appearing to be 'Mark Koester', with a long horizontal line extending to the left.

Mark Koester
President, NYWEA