

On March 15, the Senate Environment and Public Works (EPW) Committee held a hearing on Implementing the Infrastructure Investment and Jobs Act (IIJA). Senator Tom Carper (D-DE), Chairman, opened the hearing stating: “As you will recall, this historic bipartisan law is helping to deliver clean drinking water to millions of households and schools across our Country.... In his budget, the President requested more than \$12B for [the Environmental Protection Agency (EPA)]...a 19% increase from the 2023 enacted level. More than \$4B of that proposal is reserved for water infrastructure.... This budget builds on the committee's work in the [IIJA] to invest in our Nation's water infrastructure, which brings us to the topic of today's hearing: oversight of the implementation of the drinking water and wastewater portions of the [IIJA].”

Chairman Carper added: “We worked in an overwhelmingly bipartisan way to draft the Drinking Water and Wastewater Infrastructure Act [DWWIA].... We advanced our legislation out of the committee unanimously and later passed it out of the full Senate by a vote of 89-2. If the American people are looking for bipartisanship, they need look no further than this committee and its work on infrastructure.”

Senator Shelley Capito, the Ranking Minority Member, said: “Today's hearing is focused on a topic that is of critical importance...to the health and well-being of our communities, our environment, and our economy: clean and efficient drinking water and wastewater systems. All Americans deserve this. We deserve to have reliable, affordable water and sanitation. I am very proud of the bipartisan work of this committee that we accomplished in the last Congress to address America's drinking water and wastewater investment backlog. It is such a backlog. The DWWIA Act, as we call it, was written by this committee and is a key pillar of the [IIJA]. It created new programs, opportunities, and support to address current water infrastructure needs and ongoing challenges in small, rural, and disadvantaged communities.”

Radika Fox, EPA Assistant Administrator, Office of Water, testified: “The President says we are building a better America from the bottom up and the middle out. Water is a crucial pillar to achieving that vision. In the Office of Water, we tackle the infrastructure you can't see, but always use. Senators, you all know how essential water is-and the historic investment of [IIJA] is exactly what America needs to reverse decades of underinvestment, disinvestment, and neglect. Aging water systems dot our counties and states.”

She continued: “I am proud to sit before you today to give you an account of our progress in [IIJA's] first year. First, let me start with the State Revolving Funds [SRFs]. Congress appropriated \$43B over five years to five distinct programs within the Drinking Water and Clean Water [SRFs]. In March 2022 - just four months after the President signed the [IIJA] into law - EPA issued our [IIJA] SRF Implementation Memo. This document established key priorities-providing flexibility for states to meet local water needs, increasing investment in disadvantaged communities, making rapid progress on lead service line replacement, addressing [per- and polyfluoroalkyl substances (PFAS)] and emerging contaminants, advancing resilience and innovation, and supporting manufacturers and creating good-paying jobs across the water workforce.”

She added: “Now getting from [IIJA] being signed into law to capitalizing state SRFs is all about a robust partnership between EPA and the states. We have engaged states at every step in the process. We met with every state's infrastructure or environmental secretary early in the process to identify priorities and anticipated challenges. We engaged states in crafting the Implementation Memo. We've held extensive in-person trainings from California to Kansas to Massachusetts, hosted technical webinars, developed FAQs, and supported states as they developed their intended use plans.”

Next, she reported: “In our first year of implementation, I am delighted that 47 states have been awarded at least one capitalization grant from the five pots of [IIJA] SRF funding, totaling just under \$5B in FY22 funds - more than \$1.5B each to the supplemental SRFs and more than \$1.2B through the lead service line replacement program.... The [IIJA] also established the new Emerging Contaminants in Small or Disadvantaged Communities grant program designed specifically to address emerging contaminants, like PFAS and perchlorate, in drinking water in small, rural, and disadvantaged communities. Just a few weeks ago Administrator Regan announced the availability of the first \$2B in funds to states, territories, and DC, through an allotment formula.”

Moreover, “EPA has also been working with all deliberate speed to implement the nearly \$2B that Congress appropriated to a range of EPA's place-based programs that support conservation, restoration, and infrastructure programs to protect some of America's most treasured waters, from the Chesapeake Bay to the Mississippi River, from the Gulf of Mexico to San Francisco Bay. [IIJA] funds are transformational for EPA's 12 Geographic Programs and 28 National Estuary Programs, which together received more than \$1.8B in the [IIJA]. The certainty of multi-year funds is allowing them to take on larger projects than ever before, and is accelerating work that would have taken years longer without this injection of resources.... Consistent with the authority granted by Congress, EPA is waiving non-federal cost-share for these programs to help advance projects in disadvantaged communities - who too often are left waiting at the door because they can't access other matching funds. Each Geo and NEP is also developing equity strategies to better understand where there are disadvantaged communities in their watersheds, what their needs are, and how to ensure that every community can benefit from these funds.”

Fox noted: “Senators, alongside our investment in water infrastructure, the EPA is standing up a robust technical assistance program to ensure that every community across rural, urban and suburban America has a fair shot at accessing [IIJA] funding. At the EPA, we recognize that investment in water infrastructure has been uneven, and that too many communities lack the capacity to access federal funding resources. We want to change the odds for communities who have too often been left behind.... Our expanded technical assistance effort in the Office of Water provides hands-on support to help communities assess their water infrastructure needs, identify potential solutions, and develop funding applications.”

She concluded, “Looking back on what EPA and states, have accomplished in standing up implementation of this unprecedented set of investments, in just a relatively short amount of time, I am struck by the speed of implementation. This effort requires building new capacity at every level - at EPA HQ and in our Regions, in state agencies, in communities, and in technical assistance providers. That work isn't just rolling - it's racing.... I want to end where I began and that is with a sincere THANK YOU. The commitment of this committee, the leadership of President Biden, and the expertise of EPA's career staff have taken us one step closer to the future where our waters are fishable and swimmable, and where every person living in the United States of America can trust that the water that comes out of the tap is safe to drink.”
<https://www.epw.senate.gov>

EPA/Budget Hearing

On March 22, the Senate EPW Committee held a hearing on EPA's FY24 budget. The EPA request included \$4.5B for water infrastructure programs, including the Clean Water SRF (\$1.6B); Drinking Water SRF (\$1.1B); the Water Infrastructure Finance and Innovation Act (WIFIA) program (\$80.4M); and various technical assistance and grant programs (\$1.2B). EPA Administrator Michael Regan testified.

Regan said: “The Budget funds all of the authorizations in the original Drinking Water and Wastewater Infrastructure Act of 2021 and maintains funding for EPA's [SRFs] at the total 2023 enacted level, which complements funds provided for water infrastructure programs in the [IIJA]. To further the President's goal of replacing all lead pipes within the next decade, the Budget proposes \$219M for two grants dedicated to remediating lead contamination in water – Reducing Lead in Drinking Water and Lead Testing in Schools. Also included is \$80M to support the [WIFIA] loan program. As of February 2023, EPA has issued 100 WIFIA loans to communities across the country totaling over \$17B in credit assistance to help finance more than \$36B for water infrastructure projects. WIFIA loans for these projects have saved communities nearly \$5B, which can be used for additional infrastructure investment and to keep rates affordable for water system users. These WIFIA-financed projects have created over 123,000 jobs and benefitted more than 50 million people, demonstrating that WIFIA credit assistance is an effective tool to help address a variety of water infrastructure needs to support communities nationwide.”

Regan continued: “In FY24, EPA will continue to work across environmental programs to advance agency efforts to tackle [PFAS] pollution.... The FY24 Budget provides \$279M for the Section 106 Grants Program, which funds state, interstate, and tribal water pollution control programs, and is a critical funding source to establish, expand, and implement water quality programs to protect and restore water resources. More than \$60M in additional funding is provided across the budget to accelerate progress on EPA's PFAS Strategic Roadmap, and enable EPA to move more quickly on policy, regulatory, and enforcement actions across

multiple statutory authorities. EPA will continue its efforts in FY 2024 to develop analytical methods, drinking water health advisories, toxicity values, effluent limitation guidelines, as well as risk communication and other tools to support states, tribes, and localities in managing PFAS risks in their communities.”

Several Republican Senators expressed concerns during the hearing about the new Waters of the United States (WOTUS) rule, noting that 25 states are objecting to the rule, and commenting on the resources expended on finalizing and implementing the rule prior to the Supreme Court’s decision in *Sackett v. EPA*. <https://www.epw.senate.gov/public/index.cfm/hearings>