

House Democrats Eye Water Subsidies But GOP Fears EPA Rate-Setting Role

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Key House Democrats are exploring the possibility of creating an EPA program for low-income households to help them pay for water and sewer services, a plan that previously has won bipartisan support in the Senate though House Republicans are questioning whether the plan would give the agency a role in setting local rates.

"We . . . need to explore whether the federal government can play a role in helping subsidize the cost of clean water at a household level, as we do today for household heating and cooling costs through the Low-Income Home Energy Assistance Program (LIHEAP)," Rep. Grace Napolitano (D-CA), chair of the Transportation and Infrastructure Committee's water resources and environment subcommittee, said at a March 7 hearing on [legislation](#) to reauthorize the clean water state revolving fund (SRF).

She noted that many states and communities run rate assistance programs, "but I believe the federal government can take a greater role to reduce the cost of water to our American families."

Committee Chairman Peter DeFazio (D-OR) also endorsed the idea, saying, "I feel strongly about a federal role." He added that "hopefully" the committee will be able to advance legislation to "not only reauthorize the SRF but help low-income communities."

But Republicans on the panel seemed less interested in the idea, with Rep. Bruce Westerman (R-AR), the subcommittee's ranking member, saying there needs to be greater regulatory flexibility to reduce the costs to utilities and Rep. Daniel Webster (R-FL) questioning whether the federal government should be involved in setting water rates.

Wastewater utilities have [long pushed](#) for a LIHEAP-type program for the water sector, and EPA wastewater chief Andrew Sawyers [said in 2017](#) the agency was exploring rate assistance programs. He said he thought some iteration of the LIHEAP approach would work although it may not be exactly as the National Association of Clean Water Agencies proposes.

Rep. Marcia Fudge (D-OH) has introduced [legislation](#) in previous congressional sessions to create a grant program to assist low-income homes with water and sewer bills, a measure that in 2018 won support from nearly two dozen Democrats in the House.

A companion bill in the [Senate](#) was sponsored by Sen. Ben Cardin (D-MD), with support from Sens. Roger Wicker (R-MS) and Debbie Stabenow (D-MI).

While some states and localities have created household affordability programs, other states have opposed such measures, water industry sources [have said](#). When state legislatures "start looking at treating low-income populations differently than other ratepayers, there's an equity concern and some states and state constitutions have prohibitions against charging differing and variable rates," one source said.

Greater Flexibility

In their comments, Republicans stressed the need for greater flexibility and raised concerns that the legislative plans could give EPA a role in setting local water rates.

Westerman, in his opening statement at the hearing, said, "[C]ommunities -- particularly those that are struggling to address their needs and reduce the financial burdens on households -- need to be given greater flexibility, including through the implementation of a vibrant integrated planning and permitting approach, in addressing the compliance mandates that have been imposed on them."

And later during the hearing, he said there are "always two sides of the coin to affordability" and "regulations falsely drive up costs."

Webster also seemed to doubt the need for a federal rate assistance program, asking Jill Heaps, assistant professor of law at Vermont Law School, whether water and wastewater rates are "way low, medium or too high."

"It depends on where you are and who you ask," Heaps replied.

Webster then asked, "Should the federal government set rates?"

Heaps said rates have traditionally been set locally but the federal government can provide financial or other incentives for local utilities to develop good policies to assist low-income households.

Westerman also echoed recent concerns raised by the U.S. Conference of Mayors (USCM) that its members need to **be vigilant** in ensuring EPA and states implement legislation Congress approved last year -- which President Trump enacted in January -- codifying EPA's integrated planning policy that allows local authorities to address their Clean Water Act wastewater and stormwater requirements on a pollution priority basis -- rather than all at once.

"EPA now needs to effectively implement the [Integrated Planning] Initiative to help communities meet their needs in a more cost-effective manner," Westerman said.

And Rep. Garret Graves (R-LA) asked witnesses at the hearing what Congress got right in the law and what might need to be tweaked, pledging "thorough oversight" of the issue and saying there may "possibly be a second-generation bill."

Mayor David A. Condon of Spokane, WA, who was representing USCM, said the law allows EPA and states to provide flexibility to utilities in meeting water quality standards, including through the use of variances, which temporarily modify the standards when dischargers cannot meet their current permit limit immediately but are also uncertain whether they can ultimately meet it.

However, Washington state has never done a variance, Condon said.

Spokane developed an integrated plan with EPA prior to the law's passage, but the state has since tightened its water quality standard for polychlorinated biphenyls to 7 parts per quadrillion -- level for which no accurate test exists and for which there is no known technology to reliably achieve the standard, he said.

Condon also urged the lawmakers to establish defined funding for integrated planning projects rather than requiring municipalities to piecemeal together funding from various sources. -- *Lara Beaven* (lbeaven@iwpnews.com)