



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

THE ADMINISTRATOR

December 2, 2021

Dear Governors,

President Biden signed the Bipartisan Infrastructure Law on Monday, November 15, 2021. This is a big and bold investment in our nation's infrastructure, including a historic \$60 billion investment in key programs and initiatives implemented by the U.S. Environmental Protection Agency to build safer, healthier, cleaner communities. This critical funding means that more Superfund sites will be cleaned up faster; blighted and polluted sites across America will be redeveloped to contribute to local economies once again; the nation's school bus fleet will be made cleaner; and people will be put to work revitalizing aging water infrastructure in communities throughout the country.

The law's investment in water is nothing short of transformational. It includes \$50 billion to the EPA to strengthen the nation's drinking water and wastewater systems – the single largest investment in water that the federal government has ever made. I write to share my commitment to forging a productive partnership between the EPA and the states to maximize the impact of these funds in addressing urgent water challenges facing communities. The majority of the water infrastructure dollars will flow through the State Revolving Funds, and, as a former state environmental regulator in North Carolina, I know firsthand that states, tribal nations and the EPA have successfully worked together to steward more than \$190 billion in SRF funds since 1988. For decades, the SRFs have been the foundation of water infrastructure investments, providing low-cost financing for local projects across America. An effective partnership in deploying these funds will be essential to unlocking the full potential of this moment.

Assistant Administrator Radhika Fox will soon be issuing national program guidance from the EPA's Office of Water to state primacy agencies for the use of water infrastructure funding through the BIL. In this letter, we share the agency's aspirations for what we can achieve by working together:

- **Target resources to disadvantaged communities.** Every state in America has disadvantaged communities – rural, urban, suburban – that have deeply rooted water challenges, whether it is too much, too little or poor-quality water. These communities have never received their fair share of federal water infrastructure funding. Through the Bipartisan Infrastructure Law, states have an unprecedented opportunity to correct this disparity.
- **Make rapid progress on lead-free water for all.** There is no safe level of exposure to lead, yet millions of families across America still suffer from lead contamination in their drinking water. States have a historic opportunity to use the dedicated \$15 billion for lead service-line replacement in the Bipartisan Infrastructure Law, while leveraging multiple other available funding streams, to get the lead out – once and for all.

- **Tackle forever chemicals.** The Bipartisan Infrastructure Law provides an unprecedented level of funding dedicated to addressing perfluoroalkyl and polyfluoroalkyl substances and other emerging contaminants. States can use these resources to provide relief to communities on the front lines of PFAS contamination.

Enclosed, please find the estimated 2022 state allotments of BIL funds through the SRFs – significant resources that we know will go a long way toward achieving our shared goals. The enclosure summarizes the first-year allotment of nearly \$44 billion in total SRF funding that will be provided to states, tribes and territories over the next five years through the Bipartisan Infrastructure Law.

Target Resources to Disadvantaged Communities

It is a top priority for the EPA to ensure communities that have historically struggled to access SRF funding are prioritized. During my recent Journey to Justice tour, where I traveled throughout Mississippi, Louisiana and Texas, I saw and heard firsthand the range of systemic barriers that low-income people and communities of color face in accessing federal infrastructure funding. For too long these communities have been left behind by both federal and state governments. From Jackson to Houston, New Orleans to St. James Parrish, environmental-justice communities are concerned that they will be shut out of accessing water infrastructure funding from the SRFs. States and the EPA can and must do better with the Bipartisan Infrastructure Law. We know that economically stressed communities – small, large, rural, urban and suburban – often lack the financial, technical and managerial capacity to access traditional SRF loans. Almost half of the Bipartisan Infrastructure Law’s nearly \$44 billion in SRF funds are eligible for distribution as grants or fully forgivable loans. States have the power to open the door to disadvantaged communities who for too long have struggled to compete for financing from traditional SRFs and other loan programs.

Throughout the implementation of the Bipartisan Infrastructure Law, as the EPA evaluates and approves states’ intended use plans, **the agency strongly urges states to maximize the potential to remove barriers and prioritize the distribution of grant funds to disadvantaged communities.** To further aid states, tribes, local governments and water systems, the EPA will also provide technical assistance to help disadvantaged communities overcome barriers in applying for and receiving loans and grants through the SRFs.

Make Rapid Progress on Lead Free Water for All

President Biden has set an ambitious goal of replacing 100 percent of the nation’s lead service lines. The EPA views the \$15 billion in dedicated funding for lead service-line replacement in the Bipartisan Infrastructure Law as a centerpiece of the strategy to deliver lead-free water for all Americans.

As states initiate planning for the use of these funds, **the EPA urges states to target these funds to communities who are disproportionately impacted by lead in drinking water.** Moving forward, the EPA’s strategy to address lead in drinking water will prioritize communities with the highest lead levels and those with environmental-justice concerns. I urge you to join us in this commitment. The EPA will be looking for intended use plans that affirmatively target these funds to replace both public and private lead service lines, especially in disadvantaged communities that lack access to other sources of funding. The dedicated lead funding in the Bipartisan Infrastructure Law is also not the only tool at states’ disposal. We encourage states to deploy a broad range of funding sources, which may include American Rescue Plan funds, base SRF funds, Water Infrastructure Finance and Innovation Act funds, and more. States may also look for opportunities to leverage funds from the U.S. Department of

Housing and Urban Development, the U.S. Department of Agriculture and other federal agencies, as well as state and local resources.

Finally, to make informed decisions about how best to use these resources, **the EPA encourages states to accelerate the development and use of lead service-line inventories.** While the Lead and Copper Rule Revision calls for drinking water systems to have lead service line inventories by 2024, we strongly recommend that states work with systems on these inventories as soon as possible.

Tackle Forever Chemicals

Many communities in your states are grappling with emerging contaminants, such as PFAS. On October 18, 2021, the EPA announced the agency's [PFAS Strategic Roadmap](#) – laying out a whole-of-agency approach to addressing PFAS. The roadmap sets timelines for specific actions by the EPA and commits us to bolder new policies to safeguard public health, protect the environment and to hold polluters accountable.

The Bipartisan Infrastructure Law provides \$10 billion to start systematically reducing the risk that people will be exposed to PFAS and other contaminants through their drinking water and to help address discharges through wastewater. Half of these funds will go through the SRFs. **We have a unique opportunity to prioritize investment to local communities who are on the frontlines of PFAS contamination and who have few options to finance solutions through traditional programs.** The Office of Water will provide further guidance and technical assistance to support states and local communities in detecting the presence and levels of these substances and to facilitate state efforts to build the pipeline of projects to address them. In addition to using the targeted Small, Underserved, and Disadvantaged Community grants, we encourage states to submit intended use plans to the EPA for approval that maximize the use of SRF funds and eligibilities to address critical needs in underserved communities grappling with these and other contaminants.

Partnering for Progress

We are honored and humbled by the opportunity to work with you to reshape America's water future. We know that we share the same goals: bringing clean, affordable and safe drinking water and wastewater services to everyone in America.

The EPA will be with you every step of the way. In the coming months, the Office of Water will work with you to identify the tools, resources and targeted technical assistance that will best support states in achieving these goals. We stand ready to work with your state to ensure an effective, efficient and equitable implementation of the Bipartisan Infrastructure Law.

Please do not hesitate to contact me, and your staff can always contact Casey Katims, Deputy Associate Administrator for Intergovernmental Affairs, at katims.casey@epa.gov with any questions.

Sincerely yours,
Michael S. Regan