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Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed S. 3894, a bill to provide loan guarantees for construction of municipal waste water treatment plants.

Under my Administration, we have been pursuing a massive program to clean up the Nation's waterways, and progress has been heartening. In the municipal area, this Administration obligated over \$4 billion for waste treatment plants last year and expects to obligate from \$5 to \$6 billion in the current fiscal year. From these efforts, rivers, lakes and coastal waters across the country are being cleaned up, and fishing, boating, and other recreational areas are being opened up across the country.

Despite the progress that is being made, some communities face difficulties in raising the local share of funds for waste water treatment plant construction. I believe strongly that local governments must be a financial partner in this program, and strongly oppose Federal financing of some treatment plant projects at 100 percent, as some have proposed.

The loan guarantees authorized by this bill will be available to communities only when they are unable to obtain sufficient credit on reasonable terms without a guarantee, and only when EPA determines there is a reasonable assurance of repayment of the loan. The Secretary of the Treasury will determine whether financing is available at reasonable rates. The Federal Financing Bank will loan the funds to a locality and EPA will guarantee payment of that loan. EPA could charge fees for its expenses in reviewing an application and for the issuance of a commitment to make a guarantee.

This legislation will assure that no community is prevented from participating in the municipal clean water campaign solely because of short-term inability to obtain financing. This is particularly important since communities must meet regulatory requirements under the Federal Water Pollution Control Act. The bill I have signed will assure that communities will be able to finance projects without increasing the proportionate Federal share through grants.

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