



# WRRDA

the WATER RESOURCES  
REFORM & DEVELOPMENT ACT



TRANSPORTATION & INFRASTRUCTURE COMMITTEE

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## GENERAL INFORMATION

Location: Transportation & Infrastructure Committee  
2165 Rayburn Building  
Washington, DC 20515

202-225-9446



**TRANSPORT**



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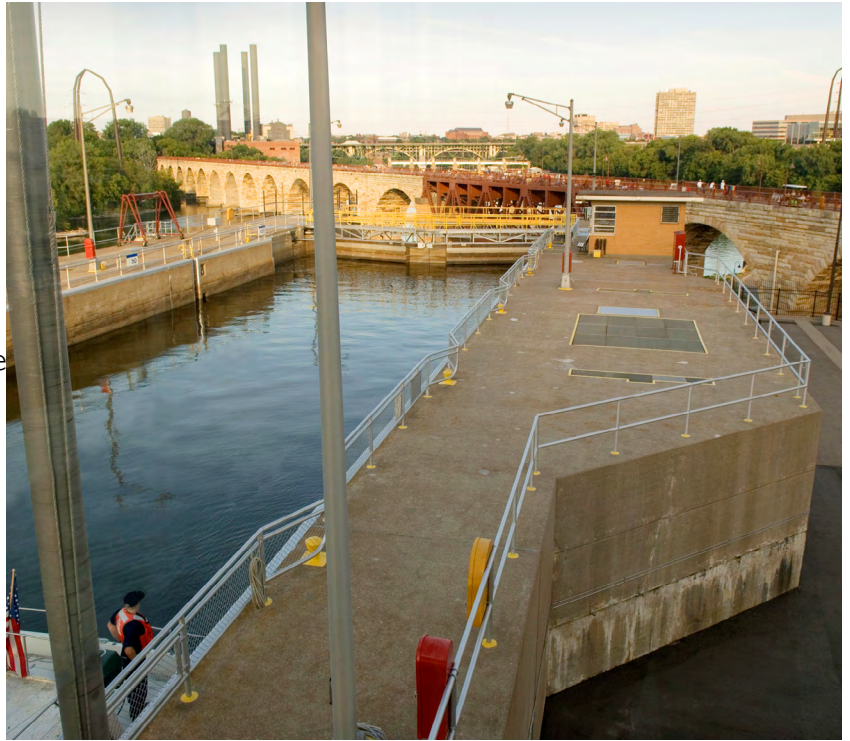
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# WHAT IS WRRDA?

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America is blessed with an unparalleled network of natural harbors and rivers. The ports, channels, locks, dams, and other infrastructure that support our maritime and waterways transportation system and provide flood protection for our homes and businesses are vitally important to a healthy national economy and job growth. Ensuring a sound infrastructure network is a shared responsibility, with a strong federal role recognized by our Founding Fathers.

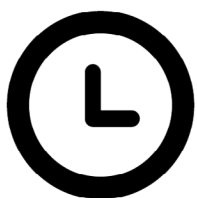
The Water Resources Reform and Development Act (WRRDA) of 2013 promotes our Nation's competitiveness, prosperity, and economic growth by upholding the seminal federal responsibility to maintain a strong transportation infrastructure and ensure the efficient flow of domestic and international commerce.



Through WRRDA, Congress authorizes the key missions of the U. S. Army Corps of Engineers, including developing, maintaining, and supporting the Nation's economically vital waterway infrastructure and supporting effective and targeted flood protection and environmental restoration needs.

WRRDA also provides Congress the opportunity to make much needed policy reforms, strengthen oversight, cut red tape, reduce bureaucracy, and open the door to innovation and stronger partnerships that will improve infrastructure development.

Historically, water resources legislation has been enacted every two years to provide oversight of and policy direction to the Administration and the Corps of Engineers. But since such a measure has not been enacted since 2007, Congress has been silent on needed reforms and has failed to take action to develop, maintain, and support our Nation's vital water infrastructure needs.



## THE TIME FOR CONGRESS TO ACT IS NOW.

# THE IMPORTANCE OF WATER RESOURCES INFRASTRUCTURE

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## **JOBS TRADE COMPETITIVENESS ECONOMIC DEVELOPMENT**

Since the establishment of the Nation, our inland waterways and seaports have linked America directly to the global economy. This remains true today. Goods from all over the world reach our store shelves after arriving here through our ports, and products grown and made in the U.S.A. get to market overseas using our water transportation network.

The importance of the U.S. Army Corps of Engineers mission to maintain our port and waterways infrastructure will only increase with time. Expansion of the Panama Canal is expected to be completed in 2014, allowing more and larger ships to call on America's ports. Our trade volume is expected to double within a decade, and to double again by 2030. We have to be ready for this expected growth in order to remain globally competitive.

The economic benefits of the Corps' mission are not limited to navigation and commerce. Levees, dams, reservoirs, and other measures within the Corps' mission scope provide flood protection for homes and businesses, protecting property and life.

- Nearly one-third of our Gross Domestic Product (GDP) is derived from international trade, and 99 percent of that trade passes through the Nation's ports.
- Approximately \$1.4 trillion worth of goods move each year through our ports, from and to every corner of America and the world.
- 30 million jobs are related to international trade, and \$200 billion in federal, state, and local tax revenue is generated by our ports every year.
- Transportation accounts for as much as 10 percent of the total product cost for the food, clothing, and other goods we buy on a daily basis.
- Every single U.S. state relies on at least 15 seaports to handle its imports and exports. The effectiveness of this indispensable infrastructure has profound economic impacts on us all.
- Nationwide, the benefits-to-cost ratio for flood protection projects is 7-to-1.
- Annual flood damage prevented through the Corps mission are estimated at \$22.3 billion.

# OUR INTERNATIONAL COMPETITIVENESS DEPENDS ON TRANSPORTATION



Iowa to China	METHOD	“Iowa” Brazil to China
\$13.52	TRUCK	\$109.73
\$24.86	BARGE	N/A
\$46.82	OCEAN	\$32.00
<b>\$85.19</b>	<b>TOTAL (PER METRIC TON)</b>	<b>\$141.73</b>

To illustrate the role played by port and waterways infrastructure in keeping America competitive, we can compare the costs of transporting soybeans to China from the United States and from one of our competitors.

Currently, it costs \$85.19 to transport one metric ton of soybeans from Davenport, Iowa to Shanghai, China. It costs \$141.73 to transport the same amount of soybeans approximately the same distance to Shanghai from North Mato Grosso in Brazil.

We currently enjoy a competitive advantage because getting our crops to port by inland waterways is much more cost effective than by truck. Brazil lacks a sophisticated inland waterways system, and for the moment cannot compete as effectively.

However, Brazil is planning to invest \$26 billion to modernize its ports and has begun major investments in its waterways. As its port and waterways infrastructure improves, Brazil’s soybeans will become cheaper to transport. As our infrastructure continues to become less reliable and efficient, transportation costs for U.S. soybeans will rise, and the competitive advantage shifts out of our favor.

This is only one example of how the effectiveness of our transportation systems impacts our competitiveness in a critical sector of the economy.



# CLEAR FEDERAL ROLE

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From the earliest days of our Nation, our history has included a strong federal role in transportation.

Adam Smith, the father of modern economics and author of the *Wealth of Nations*, argued the three essential duties of government are to provide security, preserve justice, and erect and maintain public works to facilitate commerce.

The Framers of our Constitution also came to fully understand the important role of the national government in carrying out these responsibilities. The Articles of Confederation failed in large part because they provided no means for Congress to regulate commerce between the States. This weakness, underscored by a dispute between Maryland and Virginia regarding navigation rights on the Potomac River, helped bring about the Constitutional Convention.

Our Founding Fathers, in Article I, Section 8 of the Constitution, directed Congress to establish post roads and regulate interstate commerce. In doing so they laid the groundwork for connecting the country through trade and travel and recognized the critical role of an efficient, robust infrastructure network that links American consumers, manufacturers, and farmers to domestic and world markets.

Congress must continue to uphold the federal commitment to provide a robust and unifying physical platform upon which the American people and businesses can compete and prosper.

# CONSEQUENCES OF INACTION

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*Historically, water resources development legislation has been enacted every two years to provide direction to the Administration and the Corps of Engineers. However, no such law has been enacted since 2007.*

By not passing new water resources development legislation:

- The Corps of Engineers and the Administration continue to operate without direction from Congress
- The federal bureaucracy continues unchecked and unreformed
- Needed improvements recommended by the Corps Chief of Engineers that have been fully vetted and heavily studied – but require Congressional approval – remain stalled and American competitiveness continues to erode
- The unwieldy permit and review process for developing our water infrastructure remains tied up in red tape, costing us time and money and preventing action
- Ongoing Corps construction activities that need modifications requiring Congressional authorization have stalled or stopped
- Studies that could lead to potential Corps activities to address port, inland waterways, flood control, and environmental restoration issues are unable to move forward
- Flexibility for state and local governments and opportunities for private sector involvement remain limited
- Other countries continue to modernize their infrastructure and increase their ability to attract private sector job-creators and investment

# WRRDA 2013 HIGHLIGHTS

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*The Water Resources Reform and Development Act of 2013 is one of the most policy and reform focused measures of its kind in the last two decades. WRRDA cuts federal red tape and bureaucracy, streamlines the project delivery process, promotes fiscal responsibility, and strengthens our water transportation networks to promote competitiveness, prosperity, and economic growth. WRRDA contains no earmarks and makes major reforms to increase transparency, accountability, and Congressional oversight in reviewing and prioritizing future water resources development activities.*

## **Reforms Bureaucracy, Accelerates Project Delivery, and Streamlines Environmental Reviews**

- Sets hard deadlines on the time and cost of studies
- Consolidates or eliminates duplicative or unnecessary studies and requires concurrent reviews
- Streamlines environmental reviews

## **Fiscally Responsible**

- Deauthorizes \$12 billion of old, inactive projects that were authorized prior to WRDA 2007
- Fully offsets new authorizations with deauthorizations
- Sunsets new authorizations to prevent future project backlogs
- Reduces the inventory of properties that are not needed for the missions of the Corps

## **Strengthens Oversight, Transparency, and Accountability**

- NO earmarks
- Establishes a new, transparent process for future bills to review and prioritize water resources development activities with strong Congressional oversight

## **Increases Flexibility for Non-Federal Interests**

- Maximizes the ability of non-federal interests to contribute their own funds to move authorized studies and projects forward
- Expands the ability of non-federal interests to contribute funds to expedite the evaluation and processing of permits
- Establishes a Water Infrastructure Public Private Partnership Program

## **Improves Competitiveness, Creates Jobs, and Strengthens Water Resources Infrastructure**

- Authorizes needed investments in America's ports
- Supports underserved, emerging ports
- Reforms and preserves the Inland Waterways Trust Fund
- Authorizes priority water resources infrastructure improvements recommended to Congress by the Chief of the Army Corps of Engineers to improve navigation and commerce and address flood risk management, hurricane and storm damage risk reduction, and environmental restoration needs



# REFORMS BUREAUCRACY, ACCELERATES PROJECT DELIVERY, AND STREAMLINES ENVIRONMENTAL REVIEWS

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**OLD PROCESS**

**15+ YEARS**

**NEW PROCESS**

**3 YEARS**

While it once took the Corps of Engineers three to five years to complete a study, it has now become the norm for this process to take 10 to 15 years. The unwieldy review process remains tied up in red tape, costing us time and money and preventing action. Congress must change the way the Corps of Engineers does business. Specifically, WRRDA:

- **Sets hard deadlines on the time and cost of studies:** WRRDA limits Corps of Engineers feasibility studies to three years. Currently these studies have no time limit. Additionally, WRRDA caps the federal cost of Corps of Engineers feasibility studies at \$3 million. Currently there is no cap.
- **Requires concurrent reviews:** WRRDA requires District, Division, and Headquarters personnel to concurrently conduct reviews of a feasibility study, eliminating the current practice of sequential reviews.
- **Streamlines environmental reviews:** WRRDA accelerates Corps of Engineers studies and reviews by requiring the Secretary of the Army to hold the lead role in facilitating the environmental review process, requires concurrent environmental reviews, sets deadlines in a consultative process, and ensures collaboration among all agencies involved.
- **Consolidates studies and eliminates duplicative analyses:** WRRDA creates an accelerated process which allows non-federal project sponsors and the Corps of Engineers to proceed directly to a feasibility study and repeals a requirement that the Corps re-evaluate cost estimates immediately after initial cost estimates have been completed.
- **Expedites the evaluation and processing of permits:** WRRDA provides the Corps of Engineers permanent authority to accept funds from non-federal public interests and public utility companies to expedite the processing of permits within the regulatory program of the Corps of Engineers.

# FISCAL RESPONSIBILITY

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*Our water resources infrastructure is critical to maintaining America's competitiveness, but our financial resources are limited. To ensure greater fiscal responsibility, WRRDA:*

- **Deauthorizes \$12 billion of old, inactive projects:** Fiscal responsibility is a top priority. It is vital that Congress sets priorities for the Corps of Engineers and takes old, inactive studies and projects off the books. WRRDA establishes a process that will deauthorize old, inactive projects authorized prior to the Water Resources Development Act of 2007, that have not begun construction, or if they have begun construction, have not received any funds (federal or non-federal) in the last five years. Additionally, this process prioritizes deauthorization of the oldest projects that have been inactive for the longest.
- **Fully offsets new authorizations with deauthorizations:** All new water resources infrastructure authorizations in WRRDA are fully offset by deauthorizations.
- **Sunsets new authorizations to prevent project backlogs:** In order to prevent the accumulation of future backlogs, WRRDA terminates the authorization for any project authorized by the legislation after seven years unless construction has been initiated.
- **Reduces the inventory of properties that are not needed for the missions of the Corps of Engineers:** To save taxpayer dollars and allow the Corps of Engineers to focus on core missions, WRRDA requires an assessment of all properties under the control of the Corps of Engineers and the development of an inventory of properties that are not needed for the missions of the Corps, and provides an opportunity for non-federal interests to take over those properties.

# STRENGTHENS OVERSIGHT, TRANSPARENCY, AND ACCOUNTABILITY

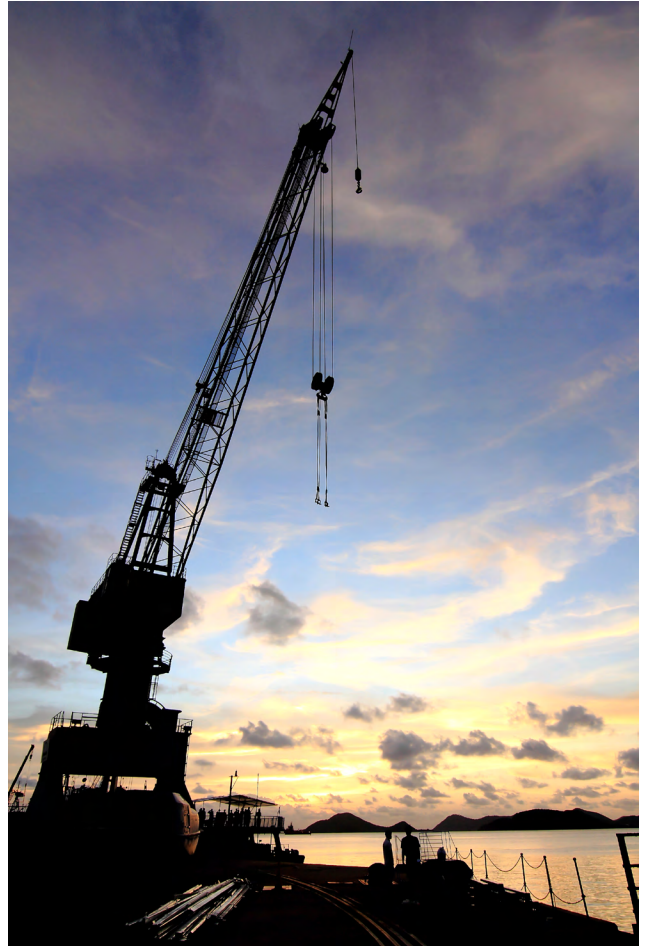
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*Traditionally, Water Resources Development Acts authorized studies, modifications, and other specific projects that had not been recommended by the U. S. Army Corps Chief of Engineers, through a process driven by requests from Members of Congress. Under the current rules of the House of Representatives, authorization activities are no longer executed in this manner.*

*The Water Resources Reform and Development Act (WRRDA) 2013 is one of the most policy and reform focused measures of its kind in the last two decades. The importance of identifying, prioritizing, and authorizing vital future water resources infrastructure activities remains, and WRRDA provides a path forward by increasing transparency, accountability, and Congressional oversight without ceding Constitutional Congressional responsibility to the executive branch.*

## **WRRDA contains no earmarks and establishes a new, transparent process to review and prioritize water resources development activities with strong Congressional oversight**

- WRRDA requires the Corps of Engineers to annually publish a notice in the Federal Register requesting proposals from non-federal interests regarding water resources development needs.
- The Corps of Engineers will review proposed submissions for inclusion in an annual “Report to Congress on Future Water Resources Development” according to statutorily established criteria.
- Upon completion of their review, the Corps of Engineers will submit to Congress and make publically available the annual report of those activities that meet the criteria established by Congress.
- Detailed information on each proposal will be included in the report, including a description of the potential benefits; the name of the associated non-federal interest(s), a letter or statement of support from each associated non-federal interest, the purpose of the proposal, and an estimate of the federal, non-federal, and total costs.
- Congress will use the information provided in the Corps’ “Report to Congress on Future Water Resources Development” to determine authorization priorities in future water resources development legislation, and only those proposals included in the report will be eligible for authorization.



# INCREASES FLEXIBILITY FOR NON-FEDERAL INTERESTS

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*Current law limits the ability of non-federal interests to spend their own money to move forward with authorized federal studies and projects. These roadblocks hold back the development of our water resources infrastructure. WRRDA breaks down these barriers, unlocking the opportunity for increased non-federal investment. Specifically, WRRDA:*

- **Maximizes the ability of non-federal project sponsors to contribute their own funds to move authorized studies and projects forward:** WRRDA authorizes non-federal project sponsors to provide funds to the Corps of Engineers to carry out studies and authorizes non-federal project sponsors to carry out authorized federal water resources development projects.
- **Authorizes the Secretary of the Army to accept funds from non-federal entities to operate, maintain, and improve the nation’s inland waterways transportation system.**
- **Establishes a Water Infrastructure Public Private Partnership Program:** WRRDA establishes an innovative financing mechanism to carry out and manage the design and construction of Corps projects by involving the private sector.

# IMPROVES COMPETITIVENESS, CREATES JOBS, AND STRENGTHENS WATER RESOURCES INFRASTRUCTURE

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*Effective water resources infrastructure is vital to a healthy national economy and job growth. Water transportation represents the least expensive, most fuel efficient, and safest way to move cargo. However, our water transportation system is only as effective as the quality of its infrastructure, and the most cost-effective goods delivery system we have is quickly becoming obsolete. To strengthen America's ability to remain globally competitive, WRRDA:*

- **Authorizes needed investments in America's ports:** Our nation's ports are significantly underfunded – the American Society of Civil Engineers (ASCE) has projected that at current funding levels there will be a \$28 billion dredging shortfall by 2040. However, each year only approximately half of the \$1.8 billion paid by users and collected in the Harbor Maintenance Trust Fund (HMTF) for maintenance and dredging is being used for its intended purposes and to keep America competitive.

WRRDA sets target expenditures from the HMTF, increasing each year so that by Fiscal Year 2020 and beyond, no less than 80 percent of the funds collected go to operation and maintenance activities. In those years where the target expenditures from the HMTF are met, five percent of the expenditures may be used on specific expanded uses, to consist of the dredging of berths and the dredging and disposal of contaminated sediments affecting a federal navigation project. Incrementally increasing expenditures sets achievable annual goals to ensure increased investment in our ports and incentivizes meeting these targets by providing an opportunity for deep ports that do not have major dredging needs to benefit from expanded use opportunities.

- **Supports underserved, emerging ports:** WRRDA allocates 10 percent of annual HMTF expenditures for Fiscal Years 2015 and 2016 on harbors that have throughput of less than one million tons annually. This ensures that emerging ports, the needs of which have often been ignored, also receive an equitable share from the HMTF to improve their harbors and enhance their competitiveness. WRRDA also authorizes non-federal interests to enter into agreements with the Secretary of the Army to provide the Corps of Engineers with an economic justification in order to receive priority federal operation and maintenance funding for authorized projects.

- **Prioritizes Operations and Maintenance Needs:** In order to ensure HMTF funds are distributed appropriately, WRRDA requires an assessment of the operation and maintenance needs of U. S. harbors, and prioritizes future operations and maintenance expenditures based on an equitable allocation among all harbor types.



# IMPROVES COMPETITIVENESS, CONT.

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- **Reforms and Preserves the Inland Waterways Trust Fund:** The Inland Waterways Trust Fund (IWTF) finances construction and major rehabilitation on the Nation's inland waterways and supports more than 250 locks at approximately 200 sites on more than 12,000 miles of inland waterways. Commercial users of waterways contribute to the Trust Fund through user fees. Expenditures for construction and major rehabilitation on inland waterways are cost-shared on a 50/50 basis between the federal government and commercial users through the IWTF.

In recent years the Olmsted Lock and Dam has required the vast majority of IWTF appropriations, creating a significant backlog of other Corps inland waterways priorities. Without reform, this situation is not expected to change for the foreseeable future. WRRDA 2013 addresses this critical issue with a balanced approach that reduces the IWTF's support for the Olmsted project to a cost share of 25 percent, freeing up funding to support additional priorities and reduce the backlog of inland waterways projects without placing the full burden of the Olmsted project on the federal government.

Additionally, WRRDA includes important structural reforms to the planning process to prevent future situations like Olmsted. Specifically, these include requiring the use of certified project managers for all capital improvement projects on the inland waterways navigation system, utilizing risk-based cost estimates, identifying best management practices to speed project delivery, and developing a portfolio of standard design for inland navigation locks. To increase oversight, the Corps will also be required to submit annual financial plans for any inland navigation project that costs more than \$500 million.

- **Strengthens Water Resources Infrastructure:** WRRDA authorizes 23 vital water resources projects that have completed technical review by the Corps of Engineers and have been recommended by the Corps' Chief of Engineers. The construction activities are authorized to be carried out in accordance with the plan and subject to the conditions described in their "Chief's Reports," the formal Corps documents, signed by the Chief of Engineers, making final recommendations to authorize specific construction activities.

Based on extensive studies, a Chief's Report provides a detailed description of the need for construction, a justification of feasibility and estimated construction costs along with a breakdown of federal and non-federal cost shares. Once authorized, federal funds for construction can be provided through the appropriations process. These important authorizations construct ship channels to maintain navigation and commerce, and address flood risk management, hurricane and storm damage prevention, and environmental restoration needs.