



September 24, 2024

The Honorable Tom Carper
Chairman
Committee on Environment and Public Works
United States Senate
513 Hart Senate Office Building
Washington, DC 20510

The Honorable Shelley Moore Capito
Ranking Member
Committee on Environment and Public Works
United States Senate
170 Russell Senate Office Building
Washington, DC 20510

The Honorable Sam Graves
Chairman
Committee on Transportation and Infrastructure
United States House of Representatives
1135 Longworth House Office Building
Washington, DC 20515-2506

The Honorable Rick Larsen
Ranking Member
Committee on Transportation and Infrastructure
United States House of Representatives
2163 Rayburn House Office Building
Washington, DC 20515-4702

Dear Chairman Carper, Ranking Member Capito, Chairman Graves, and Ranking Member Larsen:

As you work to reconcile the House and Senate versions of the Water Resources Development Act of 2024 (WRDA), I am writing to express our serious concerns regarding two provisions that jeopardize the U.S. Army Corps of Engineers' (USACE) ability to deliver fiscally responsible projects that address critical national interests. It is essential that the final WRDA reinforces fiscal discipline and ensures the efficient investment of federal tax dollars, especially in light of our nation's \$35 trillion debt.

Specifically, Section 121 of the House bill, which adds water supply as a primary mission, and Section 109 of the Senate bill, which reduces the non-federal cost-share for inland navigation projects to just 25 percent, threaten the effectiveness of the USACE. With the USACE already facing a massive construction backlog taxpayers cannot afford to expand the agency's primary missions or further reduce non-federal cost-share responsibilities.

Instead of these provisions, policymakers should increase non-federal financial responsibility to prioritize the most cost-effective and federally significant projects within the legitimate primary missions of the USACE: Navigation, Flood Control, and Ecosystem Restoration.

Shifting Responsibilities

While addressing the nation's water needs is important, elevating water supply as a central mission of the USACE raises several concerns.

Reallocating reservoir storage to prioritize water supply could disrupt other critical functions of the USACE. It means changing how water that is stored in reservoirs is used, by shifting the focus to providing water for homes and businesses. While this might seem beneficial, it can have unintended effects on other economic activities. Shifting water storage from recreation, like boating or fishing, to supply homes and businesses may seem beneficial but could harm local economies reliant on tourism.

Additionally, changing how water is allocated is complicated and expensive, often requiring revised plans or structural changes to reservoirs. The USACE already has a project backlog exceeding \$100 billion. The agency also has hundreds of authorized studies that are not currently funded, with only a few new studies receiving funding each year. This backlog continues to grow because the rate at which Congress authorizes projects exceeds the funding provided to complete them. Expanding the agency's mission will only exacerbate this problem.

Moreover, as climate change continues to impact our environment, demand for water will rise. Higher evaporation rates and sedimentation, both exacerbated by climate change, could challenge the USACE's ability to maintain water levels for various uses, such as hydropower or navigation. Expanding USACE's mission to include water supply will further strain the Corps' ability to balance competing demands.

Finally, prioritizing water supply involves complex legal and policy challenges. One significant issue is the potential for conflicts over water rights and the Corps' authority. The USACE's regulatory framework, established under laws like the Rivers and Harbors Act of 1899 and the Clean Water Act, may require substantial revision to accommodate a new focus on water supply, potentially leading to conflicts over how these laws are interpreted and applied.

Inland Waterways Cost-Sharing

The federal government and the Inland Waterways Trust Fund (IWTF) share the costs for construction and major rehabilitation of our inland waterways. The WRDA of 2020 temporarily increased the federal share to 65%, up from the previous 50% split. The WRDA of 2022 made the 65% federal share permanent. Now, the Senate version of the WRDA of 2024 proposes increasing the federal cost share to 75%.

This further erosion of cost-sharing places a disproportionate burden on taxpayers, who already cover most of the expenses for maintaining and improving a system primarily benefiting private industries, particularly the barge and shipping sectors. While inland waterways are vital for transporting goods and supporting economic activity, industries that benefit the most from these projects must contribute their fair share to construction and maintenance. The barge industry itself acknowledged this by advocating for a fuel tax increase from 20 cents per gallon in 1995 to 29 cents per gallon in 2015.

Taxpayers also bear the full cost of the more expensive operations and maintenance activities, meaning that even before recent increases, the federal share of inland waterway expenses exceeded 90%. This excessive federal subsidy reduces any incentive to control costs.

Given the significant federal spending involved, revert to the previous 50-50 cost-sharing structure is both fair and fiscally responsible. This arrangement would equally divide the costs of capital improvements between the IWTF and taxpayers.

We urge you to carefully consider the long-term implications of expanding the USACE's mission to prioritize water supply and increasing the federal cost-share for inland waterways projects. If you have any questions please contact us at 202.546.8500, or steve@taxpayer.net.

Sincerely,

Steve Ellis
President
Taxpayers for Common Sense

Cc: Members of the House Transportation and Infrastructure Committee
Members of the Senate Environment and Public Works Committee