TAXPAYERS FOR COMMON SENSE
MAKING GOVERNMENT WORK

September 8th, 2016

Dear Senator:

The Senate has begun debate on S. 2848, the Water Resources Development Act of 2016. Taxpayers for Common Sense has analyzed the bill and absent significant amendments to rein in the cost and problematic policy changes, TCS urges you to oppose the bill.

The TCS analysis concentrated on the U.S. Army Corps of Engineers typically WRDA-related provisions – Titles I-VI. Those provisions authorized more than $12 billion worth of projects with a federal cost of more than $7 billion. In addition, there are several troubling policy provisions that redirect the Corps program, increase costs for taxpayers, subsidize business interests and could have long standing consequences.

Ceding Congressional Control – Coupled with several provisions in Water Resources Reform and Development Act of 2014, this legislation continues down the primrose path of letting non-federal interests dictate the direction and priorities of the federal program. There are several provisions that enable non-federal interests in many instances to – in essence – "loan" the Corps of Engineers funds to study, complete, or even operate federal projects. To avoid constitutional limitations, these provisions make repayment of these loans subject to future appropriations. But does anyone really think that lawmakers are going to let their constituents pick up the tab? In some cases, the repayment provision is not included. But even then, in any instance that a non-federal interest is fronting the cash, it means that Congress and the Administration did not prioritize the project in the context of other important priorities. These provisions turn the nature of federal infrastructure program on its head. Sections: 1001, 1002, 1003, 1004, 1005, 1010, and 2015.

More Environmental Infrastructure Waste – Environmental Infrastructure projects were the brainchild of then-Rep. Bud Shuster (R-PA) and the late Rep. Jack Murtha (D-PA). Neither were known as fiscal hawks, but quite the opposite. These provisions designate funding for undescribed wastewater and water supply projects in geographic areas (often a combination of counties that form a Congressional District or state). This grant program was duplicative of the Clean Water and Drinking Water Revolving Loan Funds that are driven by state priorities (and are repaid). S. 2848 has at least two hidden EI projects: Sec. 1009 (dealing with projects authorized in WRDA 1992) and Sec. 4012 (removing one county and adding another from the Lakes Marion and Moultrie project in South Carolina.) It is not clear in which provision, but the Congressional Budget Office noted an increase of $95 million for the Desoto County, Mississippi EI project.

Shipping Subsidies – There are several navigation-related provisions that increase costs for taxpayers. Sec. 1011 doesn't explicitly mention the Port of Iberia in New Iberia, LA, but that is its target. This provision reiterates a provision from an FY2005 emergency supplemental that directs the Corps to disregard its economic methodology and count benefits that would accrue at the expense of other ports. Sec. 2001 stops the existing automatic deauthorization clock for inland waterway construction projects for 15 years. The rationale is that all the funding will be going to the Olmsted Lock project until 2022, which is probably true. But it also is true that economic justification for affected projects will be in some cases decades old by the time they get around to funding. Taxpayers deserve to have those projects reevaluated, at least. Sec. 2009 makes permanent the funding set aside for "emerging" ports (less than 1 million tons of cargo annually). This makes no sense. How can a port be permanently emerging? There should be a time limit on the set-aside. CBO estimates that Sec. 2011 will cost taxpayers $430 million for a change to subsidize deep harbor dredging. This provision boosts to 75 percent the federal share of deepening ports to 50 feet. Besides being a gift to many projects authorized at a 50 percent federal cost-share, this provision also makes suckers out of the ports that already finished deepening projects. CBO estimates Sec. 2012 will cost taxpayers $275 million to dredge small ports up and down the Mississippi whether traffic justifies the expenditure or not.

Not Safe for Taxpayers – The safety improvement title has several provisions that cost taxpayers dearly. Sec. 3001 changes the rules under the emergency P.L. 84-99 program. Under current law, after a disaster the Corps could repair non-federal flood control projects to their pre-event condition with emergency funds (not appropriated). If non-federal interests want to improve the project, they pay all the incremental costs. This provision would dramatically expand the scope of the program to rebuild the project to the "original design level or original capacity." Because of lack of maintenance, changing land conditions, subsidence and erosion, many of these projects would normally have to be reevaluated before construction. Under this provision, taxpayers would be forced to kick in emergency funds worth 80-100 percent of the cost of the project without any review. Sec. 3002 removes the requirement that work with subsidizing coastal levees be "technically feasible, environmentally acceptable, and economically justified." We think this provision is "completely wasteful, utterly unacceptable, and completely unjustified" especially since it end runs cost-sharing and authorizes $125 million for the program. Sec. 3006 settles an internal Corps debate whether projects to mitigate seepage at Cumberland River Basin dams should be considered major rehabilitation or dam safety. This provision stipulates that the projects be considered dam safety. GAO points out, not surprisingly, that this would cost taxpayers hundreds of millions of dollars.

Taxpayers for Common Sense has compiled a more exhaustive analysis of certain provision in S. 2848, which is available here. S. 2848 actually sets back the federal water resources program, will cost taxpayers dearly, and exacerbates the main problem, which is the lack of prioritization systems to ensure precious taxpayer dollars are going to most important, critical, and cost-effective water projects across the country.

If you would like more information please contact me or Steve Ellis at 202-546-8500 or steve@taxpayer.net

Sincerely,

A. Ryan Alexander

Ryan Alexander, President