

# Water Resources Reform & Development Act, 2014

## Inland Waterways Users Board Meeting No. 72

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US Army Corps of Engineers  
**BUILDING STRONG®**



# WRRDA Guidance

- Execution of the law is an Executive Branch responsibility
- The purpose of WRRDA Implementation Guidance is to determine how the Administration/Agency will proceed under the new law in light of our current policies and procedures; or to
- Develop new policies and procedures where needed to implement the law.
- Intent is to ensure consistent application of the law across the Corps.
- Guidance is issued in the form of memorandums, Engineering Circulars or Engineering Regulations.
- Not all provisions in the law will be funded or implemented as a matter of policy.



# Water Resources Reform & Development Act



## (P.L. 113-121)

- Approved by House 20 May (vote of 412-4); Senate two days later (vote of 91-7). Signed by President 10 Jun.
- Authorizes 34 projects and feasibility studies, valued at \$12 billion, but also de-authorizes several older projects; procedure for future de-authorizations of at least \$18 billion.
- New process to provide Congress each year a list of recommended projects from which to authorize and fund.
- Corps would submit its own as well as state, local and other recommendations to Congress to be approved or rejected.
- “3x3x3” rule - feasibility studies completed within three years, cost no more than \$3 million Federal, and get concurrent review by district, division and headquarters.
- WRRDA also repeals requirement for reconnaissance studies, as well as review of the cost-effectiveness of project designs.
- Significant reporting requirements.



# Water Resources Reform & Development Act

## Non-Federal Contributions

- Non-federal entities can conduct water resources projects specifically authorized by Congress as long as Corps approves plans and EIS filed.
- Non-federal interests can contribute funds for any authorized study or project Corps deems in public interest, as well as for federally declared disaster areas, resources managed by Corps, projects that have exceeded maximum costs, or operation and maintenance of authorized navigation projects.
- Five-year pilot program allows non-federal interests to fund operation of locks where Corps has proposed to reduce operations for budgetary reasons.
- Five-year Water Infrastructure Finance and Innovation Authority (WIFIA) pilot project would provide credit assistance for drinking water, wastewater and other water infrastructure projects.
- Pilot program for public-private partnership in developing water infrastructure.
- Corps authorized to enter into agreements with non-federal interests, including private entities, to finance at least 15 water resources projects.



# Water Resources Reform & Development Act

## Inland Waterways Trust Fund (IWTF)

- Review of ways to increase revenue collections for inland waterways. (increased fuel taxes, user fees, construction bonds, etc.)
- Olmsted IWTF share decreases from 50% to 15%. 85% of costs would come General Treasury revenues. Frees up IWTF funds, but doesn't increase Corps budget.
- Major Rehabilitation threshold increases to \$20 M.
- Project Delivery Process Reforms – Largely from IMTS Capital Projects Business Model
  - Project Manager Certification
  - Risk-Based Cost Estimates
  - Best Management Practices – Military model, standards designs, Inland Navigation Design Center, use of fully funded and continuing contracts, and procedures for recommending new construction
  - Pilot Projects using best management practices
  - Inland Waterways Users Board
    - Meet at least semi-annually
    - Requirement for providing Advice and Recommendations to the Secretary and Congress on budget, feasibility reports, post authorization change reports, and long term capital investment program
    - Participate on Project Development Teams



# Water Resources Reform & Development Act

## Inland Waterways Trust Fund (IWTF) Cont'd

- The Secretary shall communicate status of projects at least quarterly and provide copies of completed feasibility reports
- Capital Investment Program - Secretary to provide a report to Congress within 1 year, taking into account the IMTS Capital Projects Business Model, geographical distribution of projects, efficient funding, 5-year updates
- Project Management Plans may be signed by Chairman and members of IWUB
- IWUB subject to Federal Advisory committee Act, not considered special Government employees, and allowed travel expenses in performance of duty.
- Efficiency of Revenue Collection – Comptroller to report on compliance with current law, alternative collection methods and options.
- Inland Waterways Revue Studies on use of bonds and other potential revue sources.
- Inland Waterways Stakeholder Round Table
- Report on Olmsted lessens learned
- Annual Financial Review of projects costing more than \$500 million
- Assess O&M needs for the Atlantic Intracoastal Waterway



# Water Resources Reform & Development Act

## **Inland Waterways Trust Fund (IWTF) Cont'd**

- Study to determine feasibility of riverbank stabilization
- Mandatory closure of Upper St. Anthony Falls Lock and Dam.
- Energy development at Mayo Lock and Dam
- Modification of Freedom to Fish Act
- Requirement for Federal government to operate floodgates on inland waterways.



# Water Resources Reform & Development Act

**Coastal O&M Cost-Sharing** – Change in depth from 45 to 50 feet

## **Harbor Maintenance Trust Fund (HMTF)**

- Target expenditure in FY 2015 is 67% of the funds collected in 2014 actually going for harbor maintenance,
- Rate rises 2-4% until FY 2025 when it will be 100% of the funds collected in 2024.
- To help "emerging harbors" enhance competitiveness, it requires they receive at least 10% of the total appropriated from the trust fund for FY 2012.



# WRRDA Sec. 2102 - Illustration of HMTF

**Target Budget Resources, FY15: \$1.2 B (est.)**

67% of FY14 HMT revenues (\$1.79 B est.); Increases 2-4% per year through FY24; full HMT revenues + interest in FY25

**Donor & Energy Transfer Ports**

\$50 M annual authorization for appropriation separate from O&M program; only for qualified ports (section 2106)

**Baseline: \$898 M**  
(FY12 HMTF Appropriation)  
(Per WRRDA Conf Rpt Joint Explanatory Statement)

**Priority Funds: \$302 M**  
(\$1.2 B - \$898 M = \$302 M)  
Not from other Civil Works business lines

**Equitable Distribution**  
(min. 10% to Emerging Harbors)

**High & Moderate Use Projects**  
90% (\$272 M)

**Emerging Harbors Projects**  
10% (\$30 M)

**Section 2102 Applicability**  
*High Use:* Over 10 M tons per year  
*Moderate Use:* 1-10 M tons per year  
*Emerging Harbors:* < 1 M tons per year

**Expanded Uses**  
min. 10% (\$30 M)  
For Berth Dredging and Contaminated Sediment removal

**Great Lakes**  
min. 10% (\$30 M)

**Underserved**  
min. 5% (\$15 M)

**Equitable Distribution Factors**  
No longer solely on cargo tonnage, now to include national and regional significance, national security and **military readiness**

**Expanded Use Eligibility**  
Prior 3 years HMT revenue totals more than prior 3 year HMTF expenditures in that harbor

**Expanded Use Prioritization**  
Preference to ports according to the greater difference between HMTF monies spent and HMTF revenues collected in last 3 yrs.

**Underserved Prioritization**  
Preference to ports according to level of commerce as well as ratio of O&M funding received vs full channel maintenance need.

# Navigation Authorizations

- Boston, MA
- Savannah, GA
- Jacksonville, FL
- Mile Point, FL
- Lake Worth Inlet, FL
- Canaveral, FL
- Sabine Neches WW, TX
- Freeport, TX

\* Chief's Report complete – Authorized in WRRDA 2014



# WRRDA 2014 Listening Sessions

- Listening Sessions (Webinars) and Public Input
- Session I            August 13, 2014
  - Deauthorizations & Backlog PreventionProject Development and Delivery (including Planning)
- Session II            August 27, 2014
  - Alternative Financing – ContributionsAlternative Financing – Title V Credits
- Session III            September 10, 2014
  - Levee Safety, Dam Safety, Regulatory/Sec 408



# WRRDA 2014 Listening Sessions

- Session IV      September 24, 2014
  - Non-Federal Implementation, Water Supply and Reservoirs, Navigation
- Listening Session to last 2 to 3 hours starting at 1400 hrs EDT.
- Public participants permitted to talk for a specified length of time.
- Additional round of comments/recommendations if time permits.
- Announcement posted in Federal Register



# WRRDA 2014 Listening Sessions

- See website for more information and details:

<http://www.usace.army.mil/Missions/CivilWorks/ProjectPlanning/LegislativeLinks.aspx>

- Written may be submitted by email to:

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