

U.S. Army Corps of Engineers Water Resources Reform & Development Act, 2014

National Dredging Meeting

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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, EC's or ER's.
- 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 that feasibility studies be completed within three years, cost no more than \$3 million Federal and get concurrent review by district, division and headquarters, is codified in law under WRDA ‘14.
- WRDA also repeals requirement for reconnaissance studies, as well as review of the cost-effectiveness of project designs.



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

Navigation Provisions

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.

Inland Waterways Trust Fund (IWTF)

- Review of ways to increase revenue collections for inland waterways. (increased fuel taxes, user fees, construction bonds, etc.
- Olmsted would receive just 15% of its cost from IWTF, down from 50% of its cost — meaning that 85% of its cost would be funded through General Treasury revenues
- This would free up funds from IWTF, which now go almost entirely to Olmsted, for other projects
- Major Rehabilitation Threshold increases to \$20 M



WRRDA Sec. 2102 - Illustration of HMTF

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

67% of FY14 HMT revenues (\$1.8 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)

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

Port/Harbor Categories
High Use: Over 10 M tons per year
Moderate Use: 1-10 M tons per year
Emerging Harbors: < 1 M tons per year

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

Expanded Uses
min. 10% (\$30 M)
For Berth Dredging, Contaminated Sediment, and Environmental Remediation

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

Underserved
min. 5% (\$15 M)

Expanded Use Prioritization
Preference to ports according to the greater difference between HMTF monies spent and HMT 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 WRDA 2014

