



**EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503**

May 6, 2013  
(Senate)

## **STATEMENT OF ADMINISTRATION POLICY**

### **S. 601 – Water Resources Development Act of 2013**

(Sen. Boxer, D-CA, and Sen. Vitter, R-LA)

The Administration supports investing in the Nation's water resources to build the foundation for long-term economic growth, address significant risks to public safety, and to protect and restore our environment. The Administration's key policies and principles will help responsibly meet our Nation's water resources challenges in a fiscally responsible way. The Administration believes we must move toward legislation that embodies these policies and principles, and S. 601 does not currently support all of those key policies and principles.

Currently, the Corps has a \$60 billion construction backlog and increasing operation and maintenance costs of existing infrastructure. New project authorizations should be limited to projects most likely to provide high economic and environmental returns to the Nation, or address a significant risk to public safety, within the Corps' three main missions: flood and storm damage reduction; commercial navigation; and aquatic ecosystem restoration. S. 601 would weaken Congressional involvement and transparency in the authorization of Corps studies and construction projects while expanding Federal obligations without ensuring taxpayer dollars are targeted to achieve the highest overall return for the Nation. Further, it limits spending controls even when actual project costs far exceed authorized levels.

Creating and maintaining our Nation's water resources infrastructure is a shared responsibility between Federal and non-Federal beneficiaries and requires that the management, use, protection, and restoration of our water resources continue to evolve to meet the Nation's future needs. S. 601 undermines this principle. For example, the bill would effectively require a tripling of the amount that the Federal government spends for harbor maintenance and related work – a \$15 billion increase in spending over the next 10 years without regard to the return to the Nation from this investment. Additionally, the bill would undermine a key reform enacted by the Congress in the landmark Water Resources Development Act of 1986 by eliminating cost-sharing for maintaining channels deeper than 45 feet, and by expanding the Federal role in other areas, which have always been non-Federal responsibilities. While the Administration welcomes efforts to explore innovative water infrastructure financing tools, and has included a proposal for doing so in its FY 2014 Budget, the Administration has concerns about the proposal in Title X of the bill and would like to continue working with the Congress on specific ways to achieve the goal.

The Administration is deeply concerned that the project permitting provisions in S. 601 are counterproductive, may actually slow project approval, and do not adequately protect communities, taxpayers, or the environment. The bill constrains science-based decision making, increases litigation risk, and undermines the integrity of several foundational environmental laws, including the Clean Water Act, the Endangered Species Act, and the National Environmental Policy Act (NEPA). The Administration is making significant progress to

improve the efficiency of Federal permitting and reviews in a manner that encourages early collaboration, stakeholder engagement and better environmental outcomes while not jeopardizing bedrock environmental laws. The Administration is aware that discussions on these provisions are ongoing and urges the Senate to reaffirm the current foundational environmental review framework for all water resources projects that fosters transparency, informed decision-making, and strong environmental outcomes, and to encourage the Corps to continue efforts to evaluate the full range of reasonable alternatives and to promote better environmental stewardship.

The Administration supports rebuilding more resiliently after major disasters in light of future risks of substantial storm and flood damage. Federal policies and investments should encourage and incentivize improved management of water and related land resources at the local level to reduce vulnerabilities and enhance the resiliency and natural functions of floodplains and coastal areas and the communities in them, advance public safety, and promote efforts to preserve and restore aquatic ecosystems.

The Administration also urges a needed reform of the laws governing the Inland Waterways Trust Fund, which an FY 2014 Budget proposal would accomplish. The proposal would establish an annual per vessel fee to raise \$1.1 billion in additional revenue over 10 years from the commercial users of the inland waterways. This user fee is needed to help finance their 50 percent share of inland waterways capital investments under current law. It would support economic growth, and reflect actual costs incurred by the Corps on their behalf.

The Administration remains committed to working with the Congress on bipartisan legislation to address the Nation's water resource challenges.

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