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December 8, 2010

The Honorable Mitch McConnell
Minority Leader
U. S. Senate
361-A Russell Senate Office Building
Washington, D.C. 20510
Billy_piper@mcconnell.senate.gov

The Honorable John Kyl
Minority Whip
U. S. Senate
730 Hart Senate Office Building
Washington, D.C. 20510
Tim_glazewski@kyl.senate.gov

The Honorable John A. Boehner
Minority Leader
U.S. House of Representatives
1011 Longworth House Office Building
Washington, D.C. 20515
mick.krieger@mail.house.gov

The Honorable Eric I. Cantor
Minority Whip
U.S. House of Representatives
329 Cannon House Office Building
Washington, D.C. 20515
Kristi.way@mail.house.gov

Dear Senate and House Republican Leaders:

In response to the recent decision by the Republican Caucus in the Senate and the House to ban “earmarks” in the 112th Congress, I am writing today to stress the importance of a healthy and robust water resources infrastructure to our nation’s well-being. On behalf of the members of the National Waterways Conference, I urge you not to allow this ban to stop or delay critical investments in projects that are essential to the nation’s economic vitality, environmental health and competitive position within the global economy.

While we enthusiastically support efforts to eliminate earmark abuses, projects such as those undertaken by the U.S. Army Corps of Engineers and the Bureau of Reclamation are different from other Federal programs in several respects: each project is formulated separately to address a separate and discrete problem; projects are individually considered and recommended by the Administration and are authorized separately by the Congress based on the benefits accruing from each one; each project comprises a separate and distinct Federal investment decision generally independent of other projects and is, therefore, subject to individual appropriations; and, each project also comprises a separate and distinct non-Federal investment decision since non-Federal sponsors agree to pay significant portions of project costs.

Importantly, water resources projects are scrutinized, arguably, to a greater extent than any other capital investment program in the government through highly detailed studies. Proposed projects are subjected to comprehensive analyses using merit-based criteria, an integral component of which includes extensive public involvement wherein public input is widely sought and incorporated at frequent intervals. The Water Resources Development Act (WRDA) of 1986 imposed significant increases in non-Federal cost-sharing and other items of local cooperation, and the 1996 WRDA increased these non-Federal cost-sharing responsibilities still further. The water resources project approval process was strengthened in WRDA 07 through a series of reforms, including the requirement that each project be subjected to an external independent peer review. Therefore, the Congress authorizes projects that meet very rigorous tests, specifically,

Dedicated to a greater understanding of the widespread public benefits of our nation’s water resources infrastructure.

Telephone:
(703) 243-4090
Fax:
(866) 371-1390
Web Site:
www.waterways.org

those that survive very detailed analyses and which non-Federal governments support through contributions of substantial shares of project costs.

In summary, Federal water resources projects don't just appear from thin air. Each one is subjected to extensive scrutiny at multiple levels by several Federal agencies, state and local governments, a wide variety of stakeholders, and the general public. Fully transparent "go/no-go" decisions are made at a variety of steps in the authorization, budgeting and appropriations processes. The result of this exhaustive process is a collection of authorized water resources infrastructure projects which offer invaluable contributions to the nation – and which dispute the mistaken notion that they are without merit and funded at the whim of powerful members of Congress and special interests.

Designating such projects as earmarks would result in completely deferring to the Executive Branch decisions as to which projects should receive funding, how much (if any) funding should be allotted to each and all related priority decisions. We believe such decisions ought to be more collaborative and subject to a consultative deliberative process, involving all stakeholders – and their representatives. Without such an open and deliberative process, major problems arise.

For instance, as already indicated, water resources project funding is a shared Federal/non-Federal responsibility. Non-Federal governments commit considerable local resources and political capital arranging for and providing funding. They need and deserve a measure of predictability and input as to when and how (or even if) their money will be spent. A project or study which is already underway, and for which non-Federal dollars have been accepted and expended, comprises a commitment which should be kept. Shutting down ongoing projects can, and usually does, cost as much or more as completing the work – costs which must be shared by non-Federal sponsors.

Regardless, if there is to be Federal funding for water resources projects, some entity has to prioritize and allocate the funding to individual projects. This must be accomplished in an open forum – and not through unilateral decisions by the White House, OMB or federal agencies alone.

The National Waterways Conference is guided by the principle that our nation must sustain investment in its natural resources, including its water resources, wherever the net economic, environmental and social benefits warrant. Accordingly, in considering our concerns stated above, we respectfully request that the Congress consider the numerous benefits accruing to our nation from our water infrastructure, including life-saving flood control, abundant water supplies, shore protection, water-based recreation, environmental restoration, and hydropower production. Moreover, waterways transportation is the safest, most energy-efficient and environmentally sound mode of transportation.

The nation's water storage and supply system is a critical component of our economic strength, public health and environmental sustainability. The Army Corps of Engineers' flood damage reduction program saves lives and has prevented more than \$700 billion in riverine and coastal damages – saving almost \$6 in damages for each dollar spent. We cannot stop construction of flood damage reduction projects in Southeast Louisiana, Sacramento, CA; Fargo, ND; Cedar Rapids, IA and scores of other communities without significant risk to the lives, homes and property of real American families.

Managing water and water resources is often one of the larger costs facing local governments as they seek to provide flood protection to their citizens while also meeting water quality regulations, that if not met can result in additional costs. Federal investment in flood damage reduction projects creates an incentive for communities to take on those projects in addition to

meeting their water quality requirements, thereby further improving public safety. Additionally, the Mississippi Rivers and Tributaries Project is one of the most successful public works projects in our history and the backbone of the economies and way of life of numerous states and millions of Americans.

In the case of deep draft navigation, the modernization and maintenance of our ports are inextricably linked to our economic prosperity. More than 95% of U.S. imports and exports moves through our nation's harbors. The inland waterways have a critical share in supporting our nation's international trade. Today, the cost of transporting freight over inland waterways is 2 to 3 times less than other modes of transportation, translating into an annual savings of \$7 billion for American businesses.

Hydropower facilities built and maintained by the Corps alone produce nearly a third of the nation's total hydropower output: enough energy to serve about ten million households. Equally imperative is the continued investment in restoring and defending precious aquatic ecologies like the Florida Everglades, the Gulf Coast, the California Delta and other ecosystems that are significant to our environmental well-being even if these systems are not household names.

Investments in water infrastructure are investments in our nation's long-term security. Our nation simply cannot afford the negative economic impacts, the diminished export capabilities and the detriment to our way of life that surely would result if we fail to maintain these investments. The Congress has a vital role to play in these important – and independent – investment decisions and should assure that the decisions are reached through an open and inclusive process where the needs and priorities of all are considered. Complete deferral of them to the Executive Branch would be unacceptable.

Thank you for your consideration and we look forward to working with the Congress to ensure our nation's continued prosperity.

Sincerely,

Amy W. Larson

Amy W. Larson. Esq.
President

The National Waterways Conference, established in 1960, is the national organization to advocate for the enactment of common sense policies recognizing the widespread public benefits of our nation's water resources infrastructure. Membership is comprised of the full spectrum of water resources stakeholders, including flood control associations, levee boards, waterways shippers and carriers, industry and regional associations, port authorities, shipyards, dredging contractors, regional water districts, engineering consultants and state and local governments. www.waterways.org