

Water Resources Reform and Development Act of 2014
USACE Listening Session IV

24 September 2014

Jan Rasgus:

Hello everyone, and welcome to the fourth and last WRRDA 2014 listening session. My name is Jan Rasgus, and I am a senior policy advisor in the planning and policy division Civil Works. I am directly involved in the implementation of WRRDA 2014.

As most of you may know, President Obama signed the Water Resources Reform and Development Act of 2014 into law on June 10, 2014. WRRDA is the primary legislation by which the Congress authorizes the U.S. Army Corps of Engineers key Civil Works missions, including navigation, flood risk management, and environmental restoration. It is important to note that this is an authorization bill, not an appropriation bill.

The Corps is currently developing implementation guidance for the provisions listed in WRRDA 2014 in coordination with the Assistant Secretary of the Army for Civil Works, which will provide the policies and procedures to be used in implementing the new law. As part of this development, we have scheduled four listening sessions to hear from our stakeholders in the public regarding your comments, concerns, and issues related to the implementation of WRRDA 2014. We will take your comments into consideration as we prepare this implementation guidance.

Each of the listening sessions covered a different collection of the more important general program and policy provisions of WRRDA. Excuse me. These policy provisions have been categorized into general theme areas so that the listening sessions can concentrate on two or more important theme areas or categorizes.

The first three listening sessions that we had covered the following topics: we've covered deauthorization and backlog prevention, project development and delivery, including planning; alternative financing, which includes contributed funds and crediting and public/private partnerships, we did that in our second session. In the third session we covered levee safety, dam safety, and the regulatory provisions that cover the four programs and the Section 408 authority.

Today's session will cover non-federal implementation, water-supplying reservoirs, and navigation. For those of you who are on the webinar, you

should be able to see the specific provisions that we are taking comments on today. If you have a comment that does not fall into one of these theme areas, you may email it to us at wrrda@usace.army.mil, along with comments on any of the WRRDA affiliations.

As I mentioned, today's listening session will focus on several key WRRDA provisions that relate to the non-federal study in implementation of Corps projects, water supply and reservoir operations, and navigation including inland navigation as well as the harbor maintenance trust fund.

Today's session will be recorded and transcribed, and these files will be made available on the Corps's WRRDA website. The transcripts from the three previous listening sessions already have been posted on the WRRDA website as well as the actual recordings of the listening sessions. On behalf of the Army's Corps of Engineers, we welcome your commentary and look forward to hearing from you. I will now turn it over to Gene Pollock with the Corps's Public Affairs office, to review the ground rules for today's session.

Gene Pawlik: Thank you, Jan. This is Gene Pawlik with the Army Corp of Engineers Public Affairs office. Before I go into the ground rules, Eddie, at this time if you would like to give instructions to callers on how they can begin to queue up to raise their comments.

Gene Pawlik: All right. Thank you, Eddie.

For those who may be in a phone only mode and do not have access to the webinar, the slides that we have today are fairly general. They are available online on the WRRDA website that Jan mentioned earlier. Would like to remind everybody that when you make comments, please be sure to include your name and the organization that you represent. We have a limit of three minutes to provide the comments. As you approach your three minute time, I will come in about thirty seconds or so before the end of your time limit to remind you that you're approaching the time limit. If you have follow-on comments or more than one comment to make and you've reached your time limit, you can re-enter the queue and then raise those comments.

A key to this is this is a listening session. It's intended for us to be able to hear your thoughts and ideas about implementation of the WRRDA guidance. It will not be a back and forth discussion or a question/answer session. If you make a point or raise a comment that we need some clarification on, perhaps we may interrupt to ask for clarification on it.

A key to this as well for helping us to keep track of all these comments is to please let us know specifically which provision you're addressing. Then again to remind everybody, this session is being recorded and transcribed, and the comments with all the information that you raise will be available on the website once we're available to put it online.

Having said that, I believe, Eddie, we are ready to start taking comments.

Greg Thomas:

Again, thank you for the opportunity to hold these and to input on the WRRDA. My name's Greg Thomas. I'm the general manager for Rincon Water out of Escondido, California. I'm one of eleven member agencies as part of the North San Diego Water Reuse Coalition – a partnership of agencies related to water reuse and becoming more independent from imported water sources from northern California, Colorado, and it's also with ground water. As you know, there's a serious drought here in California in the west coast, so this WRRDA is very important to us.

My comments or input again is on Section 1014, consideration of repealing the reconnaissance study that's part of the Act. We understand it was repealed in Section 1002, and if the Army Corps of Engineer still chooses to conduct a preliminary study for 1014, we recommend using a project management plan that can be completed at the early stages of feasibility study. We're used to, as water agencies and sewer agencies, we're used to doing our own feasibility studies and looking at project management when we execute projects, especially large scale, so we're hoping that we can get rid of the preliminary study that in the Act or use a more streamlined version.

It's also recommended that the process of formulating a feasibility study again be streamlined and more user friendly, if one is going to be used. Again, appropriate for the type of projects we're going to be doing as a non-federal interest.

Last, my comment is or item for input is that we urge the Army Corps of Engineers to issue guidelines for Section 1014 as soon as possible. Failure to act expeditiously, given that there's a lot of critical infrastructure we're looking at especially to battle the effects of the climate change and drought conditions facing our communities out here. We have a very sizable project we're looking at, and we really could use the WRRDA execution here shortly in getting through that process.

Thank you very much.

Gene P.:

All right. Thank you, Greg. Next, Eddie.

David Taylor:

Thank you. My name is David Taylor. I'm the manager for Waurika Lake Master Conservancy District, and I'm also a member of the Fair Water Users Coalition, a coalition of utilities, wholesale water providers, and other entities who have M&I water supply agreements with the Corps, or who otherwise rely on water from USACE facilities. They are a coalition of members in ten states across the country. We're going to be speaking about Section 1046(b) today.

One of the key issues that brought our group together was rapidly rising O&M costs that many M&I contract holders were experiencing. In recent years, it's not uncommon for an entity contracting for water supply to receive a substantially higher O&M bill from the USACE months after the conclusion of the year long O&M and billing period with little or no explanation of what projects were done, what they cost, and why they were considered joint use and thus chargeable to the M&I contract holders. Our coalition is working to ensure that the cost of raw water is both fair and predictable, and these large O&M increases that are unplanned and not budgeted for place considerable economic strain on many water suppliers who often have to pass these costs onto the communities they serve.

Section 1046b is the result of our members telling our respective Congressional delegations about our experiences with this issue. We know the Corps has worked with our supporters in Congress and appreciate the progress that this section represents. Knowing in advance for a period of five years what projects the Corps is planning to carry out in each facility and what the estimated cost will be will certainly go a long way to help all who rely on USACE water supply to plan and budget for future O&M costs.

Our group would respectfully make the following suggestions to the USACE to consider as it implements Section 1046(b):

Number one, start providing the estimates as soon as possible. We're assuming these will be provided for fiscal year 2015 and calendar year 2015, depending upon the billing cycle for each entity.

Number two, provide M&I contract holders notice when it is clear that an estimate is off target. If, during the course of the year it's clear that that USACE will be spending considerably more, say 10%, than what's provided in the estimate, prompt notice would help contract holders to make an adjustment to their budget, and take steps to deal with increased cost that was not budgeted.

Number three, provide M&I contract holders with mid-year status report of ongoing O&M costs and expected costs.

Number four, provide M&I contract holders with a uniform bill format, which includes detailed explanation on the basis of what's being charged at the conclusion of each year. We've found that what information provided on our O&M bills varies between different Corps districts, and some receive a bill with a good deal of explanation and others do not.

We believe that these items could be carried out as part of the implementation of the section without placing any undue expense or hardship. We look forward to continuing to work with USACE on these and other issues related to water supply. Thank you.

Gene Pawlik: All right, David. Thank you for those comments. Next, Eddie.

Naomi Sabino: Thank you. My name is Naomi Sabino, I'm with the Olivenhain Municipal Water District, also part of the North San Diego Water Reuse Coalition, the eleven member coalition mentioned by Greg Thomas.

I'm commenting on provision Section 1014, and it has to do with the preliminary environmental effort or the CEQA utilization. It is recommended that the Army Corps of Engineers consider a preliminary environmental analysis document which contains material that would assist the Army Corps in determining whether a project is deemed eligible for authorization. This preliminary environmental analysis document would provide the initial environmental evaluation of a project before it is authorized, and it would not require NEPA compliance during the review of a feasibility study report.

It is also recommended that the Army Corps consider using non-federal environmental review processes, such as the CEQA (California Environmental Quality Act) as a basis for preparing NEPA documents either incorporated by reference or, in certain cases, adopted as environmental assessments. Upon completion of this review, the federal agency may issue a FONSI, findings of no significant impact. This could save significant time at the Federal level, as the process does not need to be replicated at the Federal level each time. What has already been undertaken at the local agency would stand.

Furthermore, Section 1014 should state that a feasibility study is not complete for purposes of appropriations until NEPA and other environmental requirements are met.

Thank you very much.

Gene Pawlik: Naomi, thank you for those comments. Next, Eddie.

Debra Colbert: Hi, this is Debra Colbert with Waterways Council. I want to thank you all again for this stakeholder opportunity. It's very much appreciated. My comment pertains to navigation. As I said on one of the earlier calls that were related to deauthorization, of the current list of priority projects under the capital development plan, none should be considered or included for deauthorization.

Thank you.

Gene P.: All right, Deb, thank you. Eddie, next.

Don Duvall: Hello, this is Don Duvall, a corn grower from Southern Illinois, and I would like to comment under the navigation aspect and second Debbie's previous comment and remind the Corps that navigation should be the number one priority.

I wanted to comment that we are currently harvesting a record corn crop right now in Illinois and in the United States, and we need to find a home for this huge crop. Exports will play a major part in that, so we need to not only maintain our current water infrastructure, but expand it, especially in light of the Panama Canal expansion. Otherwise the lock and dam systems that we now have will become an even greater bottleneck in that export process.

Again, I thank you for the opportunity to comment.

Gene Pawlik: Don, thank you. Next, Eddie.

Kevin Run: This is Kevin Run with the Illinois Farm Bureau. Illinois agriculture of course has a very strong interest in our inland waterway transportation system, and not only maintaining but also improving that system is really important when we look particularly at our abilities to compete in world markets or with agricultural goods.

In the navigation section, there's a new cost share formula established in Section 206 of WRRDA, regarding the completion of the Olmsted Lock and Dam. That will free up some funds for other important inland waterway projects, but to make it work, Congress has to appropriate, and of course the Administration has to spend, at the highest funding levels,

from the trust fund. That can be supported by diesel tax revenues paid by the industry.

We're asking that the Administration make that recommendation to Congress and then follow through on that spending plan. Of course to make that most impactful, there needs to be anywhere from a six to a nine cent increase in that current barge diesel fuel user fee. We support that, as do most of the other industry stakeholders here in Inland Waterway Navigation.

So, it's essential to accommodate the needed inland waterway modernization that has already been authorized by Congress, so the Corps of the Engineers and the Administration are asked to support enactment of that change. I thank you for the opportunity to comment.

Gene Pawlik:

Kevin, thank you for those comments. Next, Eddie.

David Mans:

Hi, this is David Mans, and I'm with Southwest Arkansas Water District. We are commenting on Section 1046d, as in delta. Congress passed Section 1046 with the goal of providing the Corps with flexibility so that the agency has the appropriate tools to deal with unique and special circumstances. As you know, there are a few situations out there where water supply planning was done many, many decades ago, and projected growth that just never materialized. Consequently, the contracts in these isolated instances are based on assumptions that are wildly optimistic.

Southwest Arkansas Water District recommends that Section 1046(d) be viewed in the spirit of the 1946 Water Supply Act with the goal of developing guidance that allows for robust flexibility for the Secretary so that she can deal with unique, special circumstances in a fair and equitable manner. We feel two overarching guiding principles would be beneficial.

The first is to review the historical record in the context of projected development versus actual development. In cases where it seems logical that hyper growth is unlikely to appear, this would be in cases where the projected growth never materialized, the Corps may consider this an important data point. In other words, does there appear to be a regional need for the future use of water storage that has somehow been overlooked?

The other is to consider the financial capabilities of the non-federal sponsor. Obviously things would have been much different had the projected growth materialized. However, in these isolated circumstances

where it did not, the financial capability for a non-federal sponsor, would seem an important and appropriate data point to consider in the spirit of being fair and equitable under the 1946 Water Supply Act.

Thank you for taking our comments, I'd be happy to answer any questions you have.

Gene Pawlik: All right. David, thank you for your comments. Eddie, next caller.

David Evans: Yes. I am David Evans, and I'm with American Commercial Lines. I would like to address Section 4002(d) of WRRDA which deals specifically with flexibility and maintaining channels on the Mississippi River during extremely low water conditions.

Paragraph two of 4002 directs the Corps, in consultation with the Coast Guard, to develop a report identifying areas that are unsafe and unreliable for commercial navigation during those extreme low water conditions using data from most extreme low water events. The report is to be used to identify locations for potential modifications, also including improvements outside the authorized Mississippi River federal navigation channel that will alleviate hazards in those areas that constrain navigation during those extreme low water events along the federal channel.

Paragraph three authorizes the Corps, in consultation with the Coast Guard, to carry out activities outside the authorized Mississippi River federal navigation channel including the construction and operation and maintenance of fleeting areas that are necessary for safe and reliable navigation in the federal channel and has been identified in report.

Paragraph four limits the Corps's authority to carry out the activities authorized by paragraph three only for such periods to maintain navigation during extreme low water conditions or an event.

ACL operates a barge lane facility in the St. Louis area that's located on the right descending bank of the Mississippi River between miles 184 and 185. Our facility has handled over seven million tons of barge cargo in a typical year. During the 2013 extreme and prolonged low water event, the ability to transit materials from our facility as well as industry was impacted by that low water event. Several weeks and several occasions, the impact developed weeks before any navigation impact occurred in the federal channel. The main cause of impact, of course, was low water and the buildup of silt in the Mississippi River channel up above the federal channel.

Once the silt continued to build downstream and into the federal channel, dredging operations were started and impacts to industry for ease as the silt continued to dissipate. The problem continued as the silt above the federal channel continued to work down, and on several occasions, re-dredging was required until all the silt that was located above the federal channel had been scoured out.

We believe that if attention had been placed on the silting occurrence up above the federal channel, impact to other industry and our industry, could have minimized, and multiple dredging operations could have greatly been reduced. ACL believes that the area of the Mississippi River between our St. Louis facility and the federal channel meets the requirements described in Section 4002(d), sub-section 2, and requests the Corps include this location to report as required by the section.

I would like to offer my sincere appreciation for allowing us to participate in this session.

Gene Pawlik: David, thank you for the comments. Next, Eddie.

Mike Toohey: This is Mike Toohey with the Waterways Council, and we appreciate very much the opportunity to participate in this, as others have stated. We will file a comprehensive statement for the record.

Sub-section D of WRRDA 2002 is what I'd like to comment on. This section among other things requires the Secretary of the Army to develop in coordination with the Inland Waterway User Board a new twenty-year capital investment program from the inland and intracoastal waterways, taking into consideration the capital development plan, and ensuring that investments are made efficiently and in a geographically dispersed manner.

As the cost sharing partners for this twenty-year plan, navigation stakeholders should be given full opportunity to participate in the development of this plan. Also, for purposes of making decisions about including the Bayou Sorrel project among these recommended priority construction funding in the new twenty-year capital investment program, the Corps should immediately review the Bayou Sorrel project's economic justification and update that justification to reflect the significant new energy-related traffic being experienced or expected to be experienced through the lock because new trends related to advances in production technologies and international trade policies.

We would also like to note that the Corps should produce an analysis of the impact of the closure of the Upper Saint Anthony Falls Lock using WRRDA 2007 as a precedent to address and include a recommendation for compensation for shippers and carriers adversely impacted by that closure. We'd also note that the hour of services reduction proposed by the Corps was premature for locks one in the lower St. Anthony and should not occur until the closure of the upper St. Anthony Fall Lock occurs.

Finally, WCI is supportive of the concept of public/private partnerships, but feel that the economic analysis of how this would work for barge shipping is needed. The industry, along with members of Congress, remains strongly opposed to lockage fees in any form.

Finally, I would just say that the revised definition of major rehabilitation under WRRDA, along with other policy changes that include Corps reform, should be implemented as soon as possible. Thank you for the opportunity to participate.

Gene Pawlik: All right. Mike, thank you for those comments. Next caller, Eddie.

Chris Smith: Great. My name is Chris Smith, I'm with the American Association of State Highway and Transportation officials (AASHTO), with 52-state departments of transportation.

Just some general comments on Sections 1014, 1016, and 1043. State DOTs are generally pleased with Congress's work on the Water Resources Reform and Development Act in this regard, looking for streamlining efforts in the Corps' navigation program process as it deals with feasibility studies. Often, state DOTs are those non-federal sponsors of feasibility studies. And there's some prior bureaucratic issues and processes that had feasibility studies not go as far as they needed to do, so we're encouraged by Congress's action and look forward to working with the Corps of Engineers on an implementation process that brings this legislation to the fore and allows states to do ... Even within the pilot program, take control of some of the feasibility studies themselves.

As was mentioned earlier by other commenters, we'll provide formal comments in more detail on some of these issues both in advance and as they come up to the rule making and general guidance process.

Thank you again for letting us comment today.

Gene P.: All right. Thank you, Chris. Next, Eddie.

Stan Born: Hello, good day. My name is Stan Born. I am a farmer and soy bean grower and director on the Illinois Soybean Association. I'm also a member of the American Soybean Association. I'd first like to thank the Corps for setting this up and always being willing to listen.

My comments are related to the navigation section, and my primary concern is making sure that the competitive advantage that we enjoy in our grain export markets, thanks to the great logistics that we have here in the Midwest is maintained. The infrastructure that we have on the Mississippi River helps Illinois soybean farmers effectively compete for export business and it's really important because about half of every row in soybeans is exported, and in fact in Illinois, every fourth row is bound for China, so it's really important that we have this infrastructure to allow us to compete effectively, particularly with South American growers.

We need to ensure effective maintenance of our locks and dams to have unimpeded flow of our commodity grains, so the Illinois farmers can compete effectively for the export business and contribute to jobs and health and welfare in the state of Illinois.

Thanks a lot for your opportunities to allow us to comment. Have a great day.

Gene P.: All right, Stan, thank you for those comments. Next, Eddie.

Dawn Shirreffs: Great, thank you. This is Dawn Shirreffs with the Everglades Foundation. I appreciate the opportunity to provide some feedback on the guidelines.

The Section 1014 provision sets out a process for non-federal interests to go ahead and get construction projects permitted before they're authorized, so we want to make sure that this is a high priority for getting this guidance out quickly as it particularly pertains to things that are fast moving, so we would like this section to be prioritized.

We also want the guidelines to prioritize water resource development projects that protect quality, water quantity, and federal interests, especially where failure to proceed is likely to cause irreversible environmental damage, great local health threats, and jeopardize the economy.

We support guidelines that consider the financial and technical ability of the local sponsor to undertake construction and particularly focus on the ability of the local sponsor to reduce overall project costs.

We request the Corps address how reimbursements will be dealt with in the budget explicitly once the projects are ultimately authorized and can be appropriated through federal process. For the purposes of balancing cost sharing needs, it's currently unclear if the reimbursements will go toward the federal or non-federal side of the cost share ledger, and we ask that that be clarified.

We also know that there have, in the past, been concerns of precluding a non-federal sponsor from undertaking construction, and we want to ensure that there's no opposition and no conflicts because of the Army Corps requirements for oversight that would preclude non-federal sponsors from going forward.

We'd just like to make absolutely clear that this language was intended to move ahead projects before they are subject to Congressional authorization and just found the language a little bit vague and wanted some clarity on that item for this section. Thank you.

Gene Pawlik: Thank you, Dawn. Next, Eddie.

Sharon Balfour: This is Sharon Balfour with the Louisiana Department of Transportation and Development. I would like to comment on Section 1014, specifically when it refers to Section 203 studies.

We are glad to see this in the WRRDA bill. Clarification is definitely needed. We are in the process now of doing a 203 study, and the ... should I say the agreement among the Corps is not there. Everyone seems to think there's a different process that needs to be followed and we are going back and forth between Headquarters, Division, District, and it's taking an inordinate amount of time, so clarification definitely is needed.

We need an MOU from the Corps. That needs to be agreed upon within the process because the Corps requires the use of their proprietary software, and they also can help with the coordination of other agencies.

The reviews need to be clarified as well. We need an ATR review, we need independent review, we need legal review, and then we need public review, but there's still questions within the Corps right now as to whether all those reviews are really needed.

Clarification on Section 203 studies is welcomed, and I sincerely hope you get to it quickly and inform all your employees about the process and what is actually needed. Thank you.

Gene Pawlik: Thank you, Carolyn. Next, Eddie.

Jim Stark: This is Jim Stark, executive director at Gulf Intracoastal Canal Association. I am commenting on Title 2 Navigation, Section 2008, Assessment of Operation and Maintenance Needs of the Atlantic Intracoastal Waterway and the Gulf Intracoastal Waterway.

The Gulf Intracoastal Canal Association strongly recommends the Army Corps of Engineers solicit and carefully consider the inputs of intracoastal waterways stakeholders regarding intracoastal waterways operations, and maintenance priorities and processes as it develops its required report in accordance with Section 2008. Increased traffic and usage of the Gulf Intracoastal Waterway, especially in Texas and Louisiana makes appropriate O&M funding levels and prudent use of those funds critically important to ensuring the flow commerce continues safely and efficiently in this region. Thank you.

Gene Pawlik: Thank you, Jim. Eddie, next.

Tom Nealer: Hello. My name is Tom Nealer and I'm with the Illinois Corn Growers Association, and I would like to say that I thank you for allowing me to comment today and that we are in favor of the concept of public-private partnership with economic analysis and how this would work with shipping as needed, but we think this is something that could be very beneficial and we're opposed to any lockage fees.

Also, the corn growers support to the six to nine cent increase in the current barge diesel fuel fee, and we realize that this fee would probably be passed on to the farmers and the shippers, but we have done some studies to show that this would probably only cost us 2/10ths of a cent per bushel, and right now the cost in waiting time because of delays on the river amounts to about 2 cents a bushel, so we would like the Corps of Engineers and the Administration to support the enactment of this user fee.

Thank you for letting me comment.

Gene P.: All right, and thank you for those comments. Eddie, next.

Jim Walker: Hi, this is Jim Walker with the American Association of Port Authorities. We want to, like all the others, commend the Corps of Engineers for conducting these listening and soliciting comments before developing your implementation guidance.

AAPA represents the leading port authorities in the western hemisphere, and on behalf of our U.S. members, we offer the following recommendations:

For Title 2 Section 2102, this section establishes a new O&M funds distribution approach to address increased harbor maintenance tax funding for expanded uses at donor ports and emerging harbors under served in Great Lakes ports. WRRDA implementation guidance needs to clearly state that the Section 2102 process will be used whenever O&M funds exceed the baseline fiscal year 2012 appropriation, which is \$898 million.

In sub paragraph A, expanded uses, this establishes the use of funds for berth dredging and removal of legacy contaminated settlement. The implementation guidance should address the role of the non-federal project sponsor. The non-federal project sponsor should be the point of contact for discussions with the Corps District on expanded use work such as scope, budget estimate, and priority. This should work between the port and local Corps District, and that needs to be sought and provided on an annual basis. The Corps needs to be working with the non-federal sponsors in accomplishing this expanded use work and determining whether this is to be done by the Corps or by the sponsor. Implementation guide should also establish a nationally consistent format to submit this information.

Under Section 2106, additional measures at donor ports and energy transfer ports, Section 2106 authorizes appropriating up to \$50 million for distribution to qualifying ports, however the appropriations bill is not written in the same manner as WRRDA and instead provides programmatic funding in addition to projects specific funding. The Corps' implementation guidance should establish that Section 2106 WRRDA should only be pursued when funds are specifically appropriated for this purpose by Congress.

Again, the implementation guidance should address the role of a non-federal project sponsor. We feel the non-federal project sponsor should provide their distribution decision to the Corps District on an annual basis. AAPA respectfully requests that the Corps meet with the donor and energy transfer ports to discuss the funding distribution processes since the legislation is unclear, and to pursue this at your earliest convenience.

Also, the implementation guidance should highlight an interim measure that the Corps work with Customs and Border Protection to establish the process for payments to the importers, the shippers as possible.

We also have comments on Section 1014 and the studies. We're looking at the new Section 203 to eliminate restrictions the non-federal port sponsors conduct feasibility studies on their own, signaling Congress's clear intent that the Corps be able to provide technical assistance and the implementation guidance should clearly establish the sponsor's authority to request economic and environmental analysis and have this work formed by the Corps on a cost reimbursible basis.

I think we'll leave it at that and pursue what we provide in our additional comments in writing. Gene, you got a second and a second's all you need. Thanks so much.

Gene Pawlik: Hold tight, Jim. We'll go back to ... if you want to queue up again you can come back into the line. Eddie, next.

Steve Fitzgerald: This is Steve Fitzgerald, chief engineer of Harris County Flood Control District. I also have two other hats on with NAFSMA and National Waterways Conference today. I'd like to make a couple of suggestions of recommendations for Section 1014.

First one is that it's difficult for local sponsors to take the lead for construction projects because it requires the local sponsor to complete the project in its entirety prior to requesting the federal share reimbursement. Because of that you include an opportunity for local sponsors to be eligible for periodic reimbursements as defined in Policy Guidance Letter #53 for the federal share. Dependable periodic federal reimbursements are really critical for the success and timely implementation of primarily large projects. Local sponsors, we rely on federal reimbursements to let the next construction contract to keep the project going, so we recommend that you include that in the guidance.

We also request that you allow local sponsors to be eligible for reimbursement for the federal share of work if that work is later recommended by the Chief of Engineers and approved by the Secretary of the Army. This allows the sponsor to begin implementing work on the projects at our risk prior to the study being approved in federal appropriations. This is particularly important in urban areas like Harris County in Houston, where implementation opportunities can quickly change, and the need to be ready for the next flood event is absolutely imperative.

I guess I'm going to add a third one. The third one is, it mentions this under the construction portion of 1014 about the necessity of getting any permit or approval that's required and also to ensure that compliance

with environmental laws. Jan, I know we've been talking about this a long time, but try to make it pretty clear in this guidance about ... Try not to duplicate efforts by the Corps and local sponsors when you go to the full NEPA planning process, then have to turn around and get a Section 404 permit for your project. I think this would be a good opportunity to clarify that for future local sponsors that take the lead on these construction projects.

That's all I have. I'd just like to thank the Corps and Gene and Jan for conducting these listening sessions, they've been successful. We appreciate it.

Gene Pawlik: All right. Steve, thank you for those comments. Next, Eddie.

Kirsten Mickelson: Thank you. My name is Krista Nicholson, I work with the Upper Mississippi River Basin Association, which is a regional inter-state organization representing the states of Illinois, Iowa, Minnesota, Missouri, and Wisconsin. First, I want to thank you for the opportunity to provide input into WRRDA implementation guidance.

Regarding non-federal implementation provision, Section 1014, our states and partner non-governmental organizations are experiencing significant hurdles to signing project partnership agreements that are preventing important water resource projects from advancing. This is mostly due to the fact that agreements are becoming very restrictive legally, for example, non-federal sponsors are now required to maintain project in perpetuity rather than the life of the project. In addition, the agreement indemnifies the project sponsor, making them liable for unanticipated costs including the costs for damages resulting from design flaws from the Corps and its contractor. These issues will likely prohibit non-federal sponsors from advancing construction of water resource projects until they are addressed.

Regarding Section 1043, we believe that WRRDA provides tremendous potential for improving infrastructure through a P3, however there's relatively little knowledge of how a P3 would work on a waterway, especially on a lock and dam system that runs along state borders. We believe that a robust, thoughtful dialogue is needed to move from conceptual ideas of how a P3 might work to a more detailed application. We would encourage that these discussions involve all direct stakeholders including industry shippers and operators in the states.

There are several questions that need to be considered and we would caution against using P3's to supplant federal funding and instead to use

them to supplement federal investment on the waterways and increase overall infrastructure spending.

Some questions would include how would a P3 be funded? Would there be a need for a governance model, a financing authority? Who would be in charge? What would be the geographic scope? How would that be governed? What would be the funding revenue mechanism? How would that be structured and who would pay? Would that revenue be sufficient and predictable enough to attract investment? Who would be the private investor? What risk would a private investor have to assume? What risk would the states and localities have to assume? Would the reliability of the navigation system be insured to provide reasonable risk? What might be the process and form to explore these and other implementation questions that are needed, especially if this project is systemic in nature and has a larger geographic scope?

Regarding Title 2, Sub-Section 8 on Navigation. We were encouraged to see that the conference committee had specifically acknowledged the Upper Mississippi in its conference committee report – that the system is a nationally significant ecosystem and navigationally significant commercial navigation system – and declare ongoing commitment to the navigation ecosystem sustainability projects there are important small scale navigation projects ready to construct and large scale projects that would address our critical capacity constraints in the Upper Miss. Infrastructure improvements will allow the region to capitalize on the Panama Canal expansion, which would make international commerce even faster and less expensive. And the states, the governors, have recently sent a letter to President Obama seeking the Administration's support in providing funding in FY16 specifically for that. Thank you.

Gene Pawlik: All right. Thank you. Eddie, next.

Grady Bryant: Hello. My name is Grady Bryant with the Gahagan and Bryant Associates. I'd like to address concerns regarding Section 1014 and 1043. Primarily, that any implementation guidance look to improve the system and remove duplicative efforts, specifically referencing U.S.C Section 408 and the recent guidance provided by the Corps and its impact and involvement in 1014 and 1043 projects. It's viewed as duplicative, costly to the sponsor, and needs to be addressed carefully to provide the efficiency intended by Congress. Thank you.

Gene Pawlik: Grady, thank you for those comments. Next, Eddie.

Gary Niemeyer: This is Gary Niemeyer with the National Corn Growers Association. This is in reference to 2006.

In Section 2006, WRRDA provides for an immediate start of NESP. In the section on WRRDA, a new cost sharing formula is established for fiscal 2015 and beyond to complete Olmsted Lock and Dam Projects. The intended effect of the provision is to free up funds in the Inland Waterway Trust Fund so that those funds can be appropriated for the construction and other priorities of the inland waterway projects, mainly an immediate start of Locks 25 and LaGrange shortly thereafter.

NCGA is the current list of priority projects under the capital development plan, and none of these should be deauthorized. Navigation is the largest and a fundamental mission of the Corps. Its priority should not be forgotten or overshadowed by other Corps mission areas. NCGA is supportive of the concept of the public-private partnership, P3's, but economic analysis of how this would work for large shipping is needed.

The industry, along with members of Congress, remain strongly opposed to lockage fees in any form. NCGA also proposes shareholders support 6 to 9 cent increase in the current barge diesel fuel user fee is needed to generate additional revenue for the construction of the Inland Waterway Trust Fund Modernization projects to occur. The Corps of Engineers and Administration should support enactment this year for these proposals.

I want to that the Corps for the opportunity to make comments.

Gene Pawlik: All right. Thank you, Gary. Eddie, next.

Bradley Watson: Thank you very much, this is Bradley Watson with the Coastal States Organization. These comments will be applicable to Section 1014 and others generally. The Coastal States Organization appreciates the opportunity to contribute to today's WRRDA listening session and applauds the Army Corps of Engineers for reaching out to the states and fostering cooperation through this process.

Overall, CSO would encourage the Corps to maintain the constructive nature promoted by these listening sessions beyond today and to continue a robust dialogue with the coastal states, as WRRDA is implemented on paper and on the ground.

Given the expertise of the state coastal zone managers and other relevant state entities, as well as a history of cooperation with Army Corps and coastal Civil Works projects, the coastal state's input and

perspective will prove valuable in the continuing dialogue on implementation of numerous WRRDA provisions. For instance, coastal states can provide significant contributions and perspective on the detailed implementation of today's discussion topic of non-federal implementation, as well as previous topics addressed during these listening sessions, including deauthorizations and backlog prevention, Section 7001 annual report to Congress, regulatory efforts, port and harbor maintenance, and a host of other WRRDA provisions not addressed during the listening sessions.

Additionally, we applaud the Corps's Institute for Water Resources for continuing to advise the states, pursue innovation, and lead discussions with partners about alternative ways to get funding when Congress does not provide enough. We also applaud the Army Corps Civil Works for their forward thinking efforts to provide better approaches to coastal resilience and flood risk reduction and work on establishing measure for indices for resilience.

As recent history has shown, our coastal community is particularly susceptible to extreme weather events and other water resource vulnerabilities. Coastal states are also home to a disproportionately large amount of population and contribute a significant share to the national economy. Moving forward, the coastal states are eager to provide valuable input regarding the implementation of WRRDA as it relates to coastal Civil Works projects and look forward to working constructively and in cooperation with the Army Corps of Engineers. Thank you very much.

Gene Pawlik: Bradley, thanks for those remarks. Eddie, next.

Greg Reed: Hi, my name is Greg Reed; I'm from the LA Department of Water and Power, and I'd like to say thank you for providing the opportunity to provide comment on the WRRDA implementation guidelines. LADWP looks forward to having an interactive dialogue with the Army Corps as to how the Army Corps will respond to everyone's comments provided through these venues.

I'm providing comment on the Section 1014 and would like to start with recommending that the Army Corps consider having a document, a preliminary environmental analysis document, which would allow for an early determination as to the eligibility of a non-federal sponsor's project, the eligibility for authorization. This initial document would allow for identifying the constraints, the risks, and the environmental issues that

need to be addressed within the feasibility study, but it would stop short of requiring a full NEPA compliance during that period.

We would also recommend that the Army Corps consider using a non-federal environmental review process such as in our case, the California Environmental Quality Act (CEQA) has a basis for preparing the NEPA documents that would be in support of the non-federal interest project. And then that would be followed by the federal agency issuing a FONSI, which could save significant time at the federal level as the process would not require duplicative work for the environmental review.

We also recommend that the Army Corps develop a process for formulating these feasibility studies that would be undertaken completely by the non-federal sponsor in such a way that it's a streamlined and user friendly process with requirements that are set appropriately for the types of projects that are being undertaken. We also urge the Army Corps to issue the guidance for the feasibility studies as soon as practical so that way we can act expeditiously towards the development of our projects without spending resources and efforts that may not be necessary to comply with the 1014 guidelines.

It certainly should be anticipated by the Army Corps that many federal sponsors will seek to pursue their projects with limited involvement by the federal agencies. In particular, the involvement may be in the area of identifying project eligibility, reviewing feasibility studies, providing recommendations to Congress, administering financial assistance, and assuring compliance under the WRRDA guidelines. So, there should be flexibility in the guidance to provide for the appropriate level of federal involvement when requested by the non-federal sponsor.

The process for non-federal sponsors who seek to pursue their construction of their projects be clearly identified so that way the non-federal sponsors can assure that they can complete the project and gain the reimbursement of financial assessment that is provided under WRRDA.

Okay, that's all I have. Thank you.

Gene Pawlik: Okay. Thank you, Greg. Next caller, Eddie.

Spencer Murphy: Hi, this Spencer Murphy with Canal Barge Company in New Orleans. Canal Barge Company is a member of both the Gulf Intracoastal Canal Association and Waterways Council Inc., so we endorse those comments, but I will not repeat them here.

I wanted to make a comment specifically on Section 2013 Operation and Maintenance of Fuel Taxed Inland Waterways, and specifically would like to comment on its applicability to the IHNC Floodgate project east of New Orleans. As I read the language in the WRRDA law, it says that notwithstanding any other provision of the law, the Secretary shall be responsible for the O&M, including repair of any floodgate as well as any pumping station constructed within the channel of the single unit with that floodgate.

We have heard some comments from the local District that until they are given more clear instructions or given specifically authorized funds to carry out that mission, that they can't do so, meaning that the local state and flood protection authorities are still the ones manning this critical navigational lock structure. The very clear intent of the law and the very clear reading of the law says that the Corps should take over the actual functioning and operation of those gates ASAP, and we would encourage the Corps headquarters to make sure that is made clear to the Districts and the Division so that as we close out hurricane season, the right people are on those gates operating them, which by all parties agree that should be the Corps of Engineers. Thank you for the opportunity to comment, and we appreciate the willingness of the Corps to have these listening sessions. Thank you.

Gene Pawlik: Thank you, Spencer. Next caller, Eddie.

Shane Kinne: Hi, my name is Shane Kinne, and I'm representing the Missouri Corn Growers Association. Navigation remains a top priority within our river management for corn growers in the state of Missouri. Section 4002 recognizes that systems that make up the Mississippi River Basin are interconnected and as well as they need to do a better job managing the basin during drought and flood conditions that threaten navigation. With that in mind, the option of releasing water from the Missouri River reservoir should be employed during emergency drought situations to assist in maintaining navigation along the Mississippi River. In addition continued focus and investment should be made on the lower Missouri River to maintain a reliable navigation channel. Thank you.

Gene Pawlik: All right. Thank you, Shane. Next, Eddie.

Martin Hettel: Yes, good afternoon. Thank you for the opportunity for public input on implementation of WRRDA. My name's Marty Hettel, I'm the current chairman of the Inland Waterway User Board. I'm going to speak to the navigation sections, specifically 2002 Project Delivery Process and

Reforms, 2004 Inland Water Revenue Studies, 2005 Inland Waterway Stakeholder Roundtable.

In each session, there are several references that the Secretary of the Army, at a minimum, shall consult with representatives of the Inland Waterway User Board, in coordination with the Inland Waterway User Board, and in consultation with the Inland Waterway User Board. The Inland Waterway User Board being the navigation industry's primary contact with the U.S. Army Corps of Engineers on new construction and major rehab projects, along with the navigation industry being the only entity that contributes moneys into the Inland Waterway Trust Fund, the board believes it's vital that the Inland Waterway User Board be involved with the U.S. Army Corps of Engineers and the Secretary's office as described in the WRRDA 2014 legislation in Sections 2002, 2004, and 2005.

Specifically in Section 2002, sub-section D, capital investment program requires the Secretary of the Army to develop, in coordination with the Inland Waterway User Board, a new twenty-year capital investment program for the inland and intracoastal waterways, taking into consideration the IMPF's capital project's business model, and ensuring the investments are made efficiently and in a geographically dispersed manner. The board believes that the navigation industry, as cost sharing partners for this twenty year plan, should be given full opportunity to participate in the development of the twenty-year plan.

Also under Section 2002, under administration paragraph 2, members are not considered special government employees. The law states the purpose of complying with the Federal Advisory Committee Act, the members of the user board shall not be considered special government employees as defined in Section 2002 of Title 18 of the United States Code. The Board believes this will prevent a lapse in board conducting its business as we experienced in 2011 and briefly in 2013.

In Section 2006 Preserving the Inland Waterway Trust Fund, paragraph 3, the sense of Congress, appropriations for Olmsted should not be less than \$150 million for each fiscal year until the construction of the project is completed, and in paragraph 4, rehabilitation projects. Section 205 of the Water Resources development Act of 1992, 33 U.S. States Code, Section 2327 amended by striking \$8 million and inserting \$20 million. The Board believes both of these paragraphs will allow construction and major rehabilitation to move forward on projects that have been languishing and in dire need of re-capitalization.

Finally under Section 6001, deauthorization of inactive products, the Inland Waterway User Board believes that no project on the current list of priority projects contained an inland marine transportation systems capital profit business model, final report dated April 13, 2010, should be included for deauthorization.

That will conclude my statement; I'd like to thank you again for the opportunity for public input and to the implementation of Water Resources Reform and Development Act of 2014.

Gene Pawlik: Marty, thank you. Eddie, next.

Cherrie Felder: This is Cherrie Felder with Channel Shipyard. I'm also a board member of Waterways Council and of the Gulf Intracoastal Canal Association. I would just like to reiterate Mr. Toohey's comment regarding the Bayou Sorrel Lock. This lock is a critical link in the waterway system and fast becoming one of the weakest links connecting the Gulf Intracoastal Waterway and the lower Mississippi River. Reconsideration should be given to the economic justification of Bayou Sorrel Lock for priority construction funding in the twenty-year capital development plan in view of the steadily increasing volumes of petroleum related cargo moving on the Port Allen route.

Thank you for the opportunity to comment.

Gene Pawlik: All right. Cherrie, thank you. Next, Eddie.

Scott Sigmund: Thank you, this is Scott Sigmund, transport and export infrastructure lead for the Illinois Soybean Association. Appreciate the opportunity to offer some comments on the implementing guidance for the Army Corps of Engineers.

There are several pieces of pilot programs across the WRRDA language and sections. Today we are focused on 1043, the non-federal interests, but it was earlier mentioned that there are also public-private partnership pilot programs. Under 2002, there is a pilot program for improving efficiency to project delivery. There may be a project that incorporates several of the pilot programs, and in the interest of efficiency and future project delivery, in the interest of efficiency of finance and working through public-private partnerships, some coincidence and collaborative WRRDA singularly focused reporting work with the Corps, and not with the tripartite approach that might incorporate all three of those types of pilot programs should be

considered when working through the implementing guidance for the marketplace.

Thank you for your attention. That concludes my comment.

Gene Pawlik: All right. Thank you, Scott. Next, Eddie

Carlee Brown: Thank you very much. My name is Carlee Brown and I am a water policy adviser for the Western Governors' Association. WGA represents the governors of 19 western states and three U.S. flag islands. The association is an instrument of the governors for bi-partisan policy development, information exchange, and collective action on issues of critical importance to the western United States.

In multiple letters over the course of Congressional consideration of WRRDA, the Western Governors' Association asked Congress to re-authorize WRRDA with continued recognition and protection of state authority interests and rights in water management. This state authority over water management includes surplus water stored at U.S. Army Corps of Engineers and Reclamation reservoirs.

WGA supports Section 1046, Reservoir Operations and Water Supply, which prohibits the Secretary of the Army from charging a fee for surplus water storage over the next ten years on Corps of Engineers reservoir projects in the upper Missouri River Basin. Moreover, WGA urges the Corps to consider our August 21, 2013 letter to Assistant Secretary for Civil Works, Jo-Ellen Darcy, on the issue of surplus water. In that letter WGA executive director James Ogsbury asked for subsequent state consultation on the development of a rule regarding policies by which the Corps will determine prices for surplus water contracts.

The Western Governors also highlight the need to invest in water infrastructure in their policy resolution 14-3, Water Resource Management in the West. WGA urges the Corps to consider the vital role for infrastructure improvement to help states manage water resources and cope with drought. Thank you very much.

Gene Pawlik: Thank you, Carlee. Next, Eddie.

Greg Reed: Hi this is Greg Reed from LA Department of Water and Power. Wanted to add one more item to my comments earlier regarding Section 1014. Section 1014 indicates that a final feasibility study for water resources development and conservation and other purposes that is specifically authorized by Congress to be carried out by the secretary could result

from project feasibility study. And so I wanted to suggest or recommend that as Army Corps develops the implementation guide in a step that process for determining other project purposes be included in the guidance, specifically having a process for identifying Congressional support and providing priority for such projects. This would include the process of working with the Secretary to develop the appropriate documentation, to request Congressional authorization to direct the Secretary to carry out such projects for other purposes. Thank you.

Gene Pawlik: All right. Thank you, Greg. Next, Eddie.

Ryan McFarland: This is Ryan McFarland from the Port of Seattle and Port of Tacoma shares our views and they have asked me to speak for them today as well. Our comments will address Title 2, Subtitle B, Sections 2102 and 2106.

First, Section 2106. We recommend that the Corps prioritize the rule making process for this Section and not delay until Congress appropriates funding. The legislation leaves a lot of unknowns that need to be explored, and since appropriation is likely to occur late in the budget process, there won't be much time to address these issues and implement the whole program.

The Corps should consult donor ports as it develops the regulations for the donor port provision. Ports can contribute to making sure the policy is workable.

For the rebate program, the Corps should investigate whether Customs and Border Protection collects the information it needs to carry it out. It's our understanding they do have the necessary information from customs forms, but the Corps should verify that and determine whether additional data needs to be gathered. The rebate program should focus on discretionary cargo, in order to mitigate diversion of U.S. cargo to non U.S. ports. The purpose of the rebate provision is to mitigate cargo diversion and that's only an issue with discretionary cargo. We aren't quite sure what the details of such a program would look like, admittedly, but we think the Corps should begin working with CBP now and consult with donor ports to develop a methodology.

For expanded uses, Sections 2102 and 2106, here we also recommend the Corps consult ports when drafting implementation guidance. Seattle and Tacoma concur with the comments from Jim Walker at American Association of Port Authorities about non-federal project sponsors. And finally, we believe the Corps should approve berth dredging projects

based on permitted depths rather than authorized channel depths. Ports sometimes have berth depths that are deeper than the authorized depths of federal channels. In order to accommodate tidal variations during the full period of loading and unloading vessels, and if a port has obtained the necessary permits, dredge or berth deeper than the channel, maintenance dredging to that depth should be eligible for expanded uses funding.

Thank you for the opportunity to comment.

Gene Pawlik: Ryan, thank you for your comments. Next caller, Eddie.

Gretchen Benjamin: Good afternoon. This is Gretchen Benjamin with The Nature Conservancy's North American Freshwater Program. I will be commenting on Title 2.

Section 2004, the review of the inland waterways revenue studies and Section 2005, the inland waterways stakeholder's roundtable, both provide the opportunity for representatives of the Inland Waterways User Board and representatives of other non-navigation beneficiaries to work towards balanced system uses on our rivers and waterways. At The Nature Conservancy, we consider these provisions a positive approach to continue playing a constructive role to balance navigation uses with other river uses, especially ecosystem restoration. We will actively participate if given the chance to be a part of these processes.

In Section 2101 of WRRDA, ramped up funding for the harbor maintenance trust fund begins immediately and moves to full funding by 2025. Also noted in Section 2102 is the acknowledgment of the Panama Canal expansion and larger ship sizes will require some U.S. ports and harbors to deepen drafts. We can expect increased dredging and disposal as a result of both of these provisions. It is imperative the guidance documents promote opportunities for beneficial use for dredge material for three reasons:

First, site capacity can be renewed with beneficial use of dredge material and minimize the need for additional site development and environmental impact associated with site development.

Second, the beneficial use of dredge material can be used to restore barrier islands, flood plain islands, and other ecosystem attributes that have been lost to activities associated with the construction and operation and maintenance of the navigation system.

Third, beneficial use of dredge material in support of ecosystem restoration can reduce costs for both dredging and the ecosystem restoration efforts.

Guidance should clearly articulate District responsibilities for coordination across dredging and ecosystem restoration projects, and emphasize that when material is suitable for environmental benefit, it should be the first consideration in an effort to minimize some of the additional impacts associated with increased port and harbor depth.

Thank you for this opportunity.

Gene Pawlik: Gretchen, thank you. Next, Eddie.

David Peterson: This is David Peterson with Coastal Protection and Restoration Authority of Louisiana. These comments are with regard to Section 2013 and requesting that the Corps as part of their guidance, they engage CPRA and other local entities with regard to implementation of that provision. The provision specifically says that the Corps shall be responsible for the operation and maintenance of the particular flood control gate and associated pump stations in that section. At this point in time, the Corps has not yet engaged or had discussions with the local entities with regard to the provisions and sections of various flood control projects in Louisiana in which that section is applicable. We believe that the Corps should be engaging those entities because the statute requires them to take those over and will require them to have taken them over in June, and they have not engaged anyone in terms of doing that because at this point in time, the local entities are responsible and doing operation and maintenance of those structures at their own costs.

Thank you.

Gene Pawlik: David, thank you. Next, Eddie.

Andy Warner: Yes, hi. This Andy Warner with The Nature Conservancy. I'd like to make some comments on Section 1046, reservoir operations and water supply.

First, guidance should clarify that in addition to specific project authorizations, the definition of authorized purposes includes the agency's universal authority and responsibilities under laws that apply generally to all Corps reservoirs to include the Fish & Wildlife Coordination Act of 1958, the Federal Water Pollution Control Act and Amendment of 1972, and the Endangered Species Act of 1973.

Similarly, guidance should clarify that the definition of improving efficiency and effectiveness includes full consideration of the agency's universal authority and responsibilities under laws that apply generally to all Corps reservoirs to include those mentioned previously. Guidance also should reference specific related internal Corps policies such as engineering regulation 1110-2-8154 titled Water Quality and Environmental Management of Corps Civil Works Projects.

Further, the language is sufficiently broad in 1046 to allow for the identification of opportunities to improve alignment between future operational reviews and the activities of other reservoir related programs, such as the dam safety program. For example, under some circumstances, dam rehabilitations implemented through the dam safety program afford an opportunity to simultaneously increase operational [inaudible 01:20:44] that can subsequently improve the efficiency and effectiveness in achieving the spectrum of authorized project purposes.

The language is sufficiently broad to allow the assessment carried out under Section 1046 to identify projects that are no longer serving the Congressionally authorized purposes. Guidance should clarify that such projects are to be identified as part of the assessment.

Finally, the guidance also should clarify that language related to funding from other sources is intended to enable contributions from non-federal entities in support of Section 1046 goals, but in no way requires such contributions or otherwise removes the agency authority legal responsibilities to allocate necessary resources for restoring and maintaining environmental quality around agency projects through, as necessary, modification of projects and project operations.

Thank you very much.

Gene Pawlik: Andy, thank you. Eddie, next.

Paul Rohde: Hi, this is Paul Rohde representing the members of the Waterways Council calling from St. Louis, Missouri. I want to comment on a few things in WRRDA.

First of all, as was mentioned, sub-section B, Section of 2002 requires the creation of a new twenty-year capital development plan taking into consideration the Inland Marine Transportation System Capital Project's business model from 2010. That plan was the product of a public-private cooperation between the Corps and the Inland Waterways Users Board. The plan calls for an immediate start for the Navigation Ecosystem

Sustainability Program (NESP) with lock construction on the Mississippi River getting an immediate start and on the Illinois Waterway shortly thereafter.

As the cost sharing community for the lock and dam project, navigation stakeholders should be given full opportunity to participate in the development of any new plan, and also all due consideration should be taken into account for the capital development plan of 2010 that was already assembled.

Section 2006 further provides for an immediate NESP start, establishing as has been mentioned, a new cost share formula to complete the Olmsted Dam project with the intention to free up Inland Waterway's trust fund dollars so those funds can be appropriated for the construction of other priority Inland Waterway Projects, such as those that was in the capital development plan I just mentioned.

Also, Section 4002, the joint explanatory statement of the committee of conference directs the Corps to an immediate start for NESP, stating that the upper Mississippi River system is the only river designated by the United States Congress as a nationally significant ecosystem, and a nationally significant commercial navigation system, and references that Congress declared its commitment to modernize the lock and dam infrastructure and also improve its ecosystem with NESP authorization in WRDA 2007. The governors of the five upper basin states, as was mentioned, sent a letter on August 20th to the President requesting an immediate start to NESP, and this could occur with FY15 discretionary funds and continue with the FY16 budget.

Finally, Section 2010, the Corps as we already commented, should produce an analysis of the impact to the upper Saint Anthony Falls lock closure and, using WRDA 2007 as precedent, to address and include recommendations for compensation for shippers and carriers adversely impacted by the closure. That closure should not occur prior to June 9, 2015.

Thank you.

Gene Pawlik: All right. Paul, thank you. Eddie, next.

Sheryl Johnson: Hi. My name is Sheryl Johnson, I'm a grant administrator and project development specialists for the Union County Arkansas Water Conservation Board. I'm speaking really to a combination of all three WRRDA focus areas, more specifically our water supply from our non-

federal constructed project that allows of dramatic ground water recovery. However, our non-federal project is dependent on the Corps project authorized for navigation but not water supply.

Our county is contiguous to north Louisiana parishes, so this statement represents stakeholders from both states: five south Arkansas counties and three north Louisiana parishes.

Our non-federal Washita River Alternative Industrial Water Supply project is a \$65 million industrial water supply project constructed by 88% local, 8% state, and 4% federal funds and completed in 2004. The Washita River alternative industrial surface water is drawn from the abundant Washita River water supply behind Thatcher lock and dam. Thatcher is the uppermost of four locks and dams on the Corps of Engineers Washita Black River navigation project. We are, as you know, in the Vicksburg District.

Thatcher began operating recently on a dramatically reduced schedule due to minimal barge traffic. Our water supply project was constructed to provide an alternative industrial source to our rapidly depleting and critically threatened Sparta Aquifer Groundwater. Prior to 2004, the Sparta Aquifer was Union County's only source of drinking and industrial water.

In the fall of 2004 Union County began delivering Washita River surface water to local industries, an oil refinery, a brominated products manufacturer, and a nitrogen fertilizer plant originally built as a World War II ordinance plant. All three previously relied solely on the Sparta. A 2205 megawatt natural gas fired merchant power plant also relies on this surface water supply. The nitrogen fertilizer plant is currently undergoing a major expansion that will create an additional 150 to 200 jobs and cannot be done with the Washita River water supply.

Since 2004, and as a direct result of using the alternative water stores from the Washita River, ground water levels have risen dramatically in Union and surrounding counties and parishes. One well has risen over 76 feet since October 2004. Prior to 2004, wells in and around Union County were declining dramatically, some as much as seven feet per year. Although the Washita Black is authorized for navigation, we are asking that forthcoming policy changes will provide a clear path for project modifications, including the authorization of other important purposes such as water supply.

Thank you very much.

Gene Pawlik: Thank you, Sheryl. Eddie, next.

Christine Compton: Yes, thank you. My name's Christine Compton, I'm with the Irvine Ranch Water District here in Southern California. Like some of the other callers, we wanted to provide comments to you today on Section 1014 of WRRDA. Specifically, we would love to see the process of formalizing the guidelines for this section moved forward, put forward expeditiously. We would love to see the Corps look at a more streamlined process so these projects can get off the ground, get going, and then the feasibility studies put forward to the Corps for your consideration.

Additionally, like some of the other callers today, we want to recommend that Army Corps consider looking at a preliminary environmental analysis document which would contain sufficient material to assist the Corps in determining whether a project should be eligible for authorization, but not a full environmental analysis document. It would be an initial environmental review and then the project proponent would move forward with a full environmental review subsequent to the feasibility study.

Additionally, like other callers, we agree and hope that the Corps would consider looking at using state environmental processes to speed up the NEPA documents and use those as the baseline.

Finally, we look forward to continuing to work with Corps with the hopes that we can get these guidelines streamlined and move forward quickly so projects throughout the country can move forward. Thank you.

Gene Pawlik: All right. Thank you, Christine. Eddie, we have anybody else?

Cline Jones: Good afternoon. My name is Cline Jones. I'm the executive director of the Tennessee River Valley Association. I'd like to generally address Title 2. The Tennessee River is home to two IWTF projects that have not seen funding for the past 3-5 years. Kentucky lock addition was the first IWTF project to be delayed by the insolvency in the IWTF. Though we do support the preservation of IWTF, we do oppose the lockage fees and are in support of the adjustment of 6-9 cents per gallon fuel tax for the IWTF. We encourage current project per organizations laid out in the capital development plan, and we oppose deauthorization of any critical waterway navigation projects also included in the capital development plan.

That's all we have. Thank you.

Gene P.: All right. Thank you. Move on to the next one, Eddie.

Debra Colbert: Yes, it's Debra Colbert once again with Waterways Council. I have a new comment but related to navigation. I just want to note that it is important for the locks to be open on the Allegheny and Monongahela Rivers, especially for special events in that region, and the Corps should continue to dialogue with the stakeholders in that region and nationwide to ensure that.

Thank you.

Gene Pawlik: All right. We'll go ahead and hold for about another minute here.

All right, Eddie. We'll advance to the next step slide, there we go, and I'll turn it back over to Jan Rasgus to make some closing comments.

Jan Rasgus: Again, as a reminder, the recording and transcript from today's session will be made available on the WRRDA website. Also I want to remind you that this is the last listening that we will be holding on WRRDA 2014, but we will continue to accept any written comments that you might have. Again, those go to wrrda@usace.army.mil. Thank you again for your comments today and we will look forward to taking those into consideration as we develop our implementation guidance.

Eddie: Great. Thank you, Gene, thank you Jan. Thanks to all in the audience who are joining us today. This concludes our session and you may now disconnect.