

Congress of the United States
Washington, DC 20515

September 11, 2013

The Honorable Bill Shuster
Chairman
Committee on Transportation and
Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Nick J. Rahall, Jr.
Ranking Member
Committee on Transportation and
Infrastructure
U.S. House of Representatives
2163 Rayburn House Office Building
Washington, DC 20515

The Honorable Bob Gibbs
Chairman
Subcommittee on Water Resources
and Environment
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Timothy H. Bishop
Ranking Member
Subcommittee on Water Resources
and Environment
2163 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen Shuster and Gibbs and Ranking Members Rahall and Bishop:

As your Committee moves forward on the Water Resources Reform and Development Act, we write to ask for your consideration to adjust the cost-sharing requirements, 33 U.S.C. 2310, for the U.S. territories to take into account inflation over the past 16 years since the enactment of WRDA in 1986.

Current law provides for the waiver of any matching funding requirements up to \$200,000. However, costs to undertake studies and complete construction has increased over the years.¹ In fact, the Army Corps of Engineers, the agency with both military and civil works responsibilities under WRDA has prepared an engineer manual to provide “historical and forecasted cost indexes for use in escalating [] civil works project costs.”² However, no adjustment for inflation is applied to the waiver amount even when costs for goods and services have increased.

¹ CRS Report RL30344, *Inflation: Causes, Costs, and Current Status*, by Marc Labonte (“Since the end of World War II, the United States has experienced almost continuous inflation—the general rise in the price of goods and services.”).

² U.S. ACOE, Civil Works Construction Cost Index System,
http://publications.usace.army.mil/publications/eng-manuals/EM_1110-2-1304.pdf (Mar. 31, 2013).

Using the Corps' engineer manual, we have estimated what \$200,000 in 1986 is worth today, which is approximately \$437,000. The adjustment allows for a more practicable and fair manner when assessing costs for studies and construction projects.

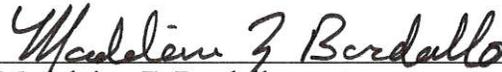
The United States has a proactive commitment to the people of the U.S. territories by "improving the quality of life, creating economic opportunity, and promoting efficient and effective governance."³ The policy to provide for the waiver of any matching funding requirement is consistent with other federal programs for the smaller U.S. territories.⁴ An equitable calculation of the waiver allows the territories to participate in essential federal programs to improve navigation, reduce flood and typhoon damage, and restore aquatic ecosystems.

Thank you for your consideration of our recommendation to ensure an equitable calculation of costs. Suggested legislative language is attached for your consideration. Should your staff wish to discuss these matters, please have them contact Becky Lizama with Congressman Sablan's office at 202-225-2646.

Sincerely,



Gregorio Kilili Camacho Sablan
Member of Congress



Madeleine Z. Bordallo
Member of Congress



Donna M. Christensen
Member of Congress



Eni F. H. Faleomavaega
Member of Congress

³ U.S. Dept. of Interior, Strategic Plan for Fiscal Years 2011-2016,
http://www.doi.gov/pmb/ppp/upload/DOI_StrategicPlan_fy2011_2016.pdf.

⁴ See 48 U.S.C. 1469a (waiver of local matching requirements for the Department of Interior).

Suggested language:

SECTION 1. COST SHARING PROVISIONS FOR THE TERRITORIES.

Section 1156 of the Water Resources Development Act of 1986 (33 U.S.C. 2310) is amended—

- 1) by striking “\$200,000” and inserting “\$450,000”; and
- 2) by inserting “(which the Secretary shall adjust for inflation for the construction of projects)” after “and projects”.