



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

June 5, 2018
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 8 – Water Resources Development Act of 2018

(Rep. Shuster, R-PA, and 3 cosponsors)

The Administration appreciates the work of the House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) and Members of the House Transportation and Infrastructure Committee on H.R. 8, the Water Resources and Development Act of 2018. H.R. 8 would advance some of the Administration's policies and principles, including building a foundation for long-term economic growth, addressing significant risks to public safety, and protecting and restoring our environment. The Administration also believes the bill could be improved and would like to work with the Congress to include or modify certain provisions.

H.R. 8 would authorize six new construction projects, at a total cost of over \$3 billion, and twelve new studies. Given the large number of authorized projects that have not been started or completed, new project and study authorizations should be limited to those most likely to provide high economic or environmental returns to the Nation and to those most likely to address a significant risk to public safety within the three main mission areas of the Army Corps of Engineers (Corps): flood and storm damage reduction, commercial navigation, and aquatic ecosystem restoration. The Administration supports provisions in the bill to deauthorize projects that no longer meet the Nation's needs.

A key principle of the President's Infrastructure Initiative is to incentivize stronger partnerships between the Federal Government and non-Federal stakeholders in order to leverage a broader range of financial resources for infrastructure investment, encourage more non-Federal leadership, and remove barriers that can impede the ability of non-Federal parties to move forward with investments in water resources infrastructure they deem priorities. The Administration welcomes the efforts in the bill to support this principle and to expand options for non-Federal sponsors in carrying out water resources projects. The Administration is concerned that section 134, which would provide credit to non-Federal sponsors for future work based on prior non-Federal contributions, may undermine longstanding cost-sharing requirements.

The Administration appreciates the bill's efforts to modernize our Nation's land and water infrastructure and supports the goal of increased operational and organizational efficiency in the Federal Government. We look forward to working with the Committee on the provisions aimed at accomplishing these objectives.

The Administration appreciates that the bill does not include a provision that would mandate spending from the Harbor Maintenance Trust Fund without a commensurate adjustment in the

discretionary spending cap, which would add substantially to the deficit. The Administration believes that Federal funding for maintenance dredging and related work at our coastal ports should reflect consideration of the economic and safety return to the Nation of each investment. The Administration also believes that our coastal ports should have greater flexibility to finance more of their capital and operating costs on their own. The proposal to reduce the Harbor Maintenance Trust Fund tax included in the President's FY 2019 Budget would provide this added flexibility.

The Administration urges reform of the laws governing the Inland Waterways Trust Fund, which a proposal in the President's FY 2019 Budget would accomplish. The proposal includes an annual per-vessel fee that would raise additional revenue over 10 years from the commercial users of the inland waterways. This would support economic growth, help cover the expected future construction and operating requirements of the inland waterways, and more accurately reflect actual costs incurred by the Corps on behalf of commercial users.

The Administration remains committed to working with the Congress on this legislation to address the Nation's water resources challenges, and if H.R. 8 were presented to the President, his senior advisors would recommend that he sign the bill into law.

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