



S. 612 is a Loss for Taxpayers

Dear Senator:

We write to urge you to oppose S. 612 the Water Infrastructure Improvements for the Nation Act (WIIN.) Instead of much needed reform, this legislation piles billions of dollars in additional water projects on the U.S. Army Corps of Engineers' plate. The legislation also makes policy changes for the U.S. Army Corps of Engineers and the Bureau of Reclamation that will be costly to taxpayers.

The largest challenge facing the Corps of Engineers water resources program is the lack of a prioritization system for allocating the limited available tax dollars, yet S. 612 fails to establish such a system. Coupled with several provisions in Water Resources Reform and Development Act of 2014, this legislation continues down the primrose path of letting non-federal interests dictate the direction and priorities of the federal program. There are several provisions that enable non-federal interests in many instances to – in essence – “loan” the Corps of Engineers funds to study, complete, or even operate federal projects. These “loans” reduce oversight and drive the federal program instead of Congress and the Administration. While non-federal sponsors need to play a key role in developing and implementing projects, federal tax dollars must only be spent on projects that meet national interests.

There are several troubling policy provisions that redirect the Corps program, increase costs for taxpayers, subsidize business interests and could have long standing consequences. A provision from the Water Resources Reform and Development Act of 2014 dedicating maintenance dredging funds to emerging ports is made permanent. It also extends set-asides for “donor” and “energy” ports without reforming the massive cross-subsidies in the existing maintenance dredging program.

In addition, S. 612 includes a provision that would overturn over a century of federal precedent regarding proposals for new taxpayer subsidized water storage facilities. Current law, has Congress authorizing new federal water project investments on the basis of feasibility reports prepared by the Bureau of Reclamation. This is a common sense check that helps ensure that only projects in the nation's interest are authorized. S. 612 would allow the Secretary of the Interior to enter into binding agreements to authorize and construct new storage facilities in

the 17 reclamation states. There are no limits on the total cost of facilities that the Secretary could authorize under this provision. The existing water storage program has already cost taxpayers billions of dollars, giving Interior a blank check to build more projects for subsidized water would only add to the tab.

The bill also redirects \$335 million in water user repayments of original taxpayer investments to subsidize the construction of new water storage facilities. These repayments belong to taxpayers, not to the water users who benefitted from interest free loans repaid over decades. They should not be used as the basis for further subsidies.

The policies of U.S. Army Corps of Engineers and the Bureau of Reclamation are dated and sorely in need of reform that would prioritize investments and have greater oversight. S. 612 fails to enact meaningful reform. Instead this legislation includes policies and projects that will be costly for taxpayers. We urge you to oppose S. 612, the Water Infrastructure Investments for the Nation Act and pursue meaningful pro-taxpayer reforms in the 115th Congress.

Sincerely,

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