



February 2, 2012

Mr. Jeffrey Zients
Acting Director
The Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Dear Acting Director Zients,

We are writing to urge the Administration to resist efforts to circumvent the earmark moratorium in the funding of U.S. Army Corps of Engineers (USACE) projects for Fiscal Year 2012.

While there were no Congressional earmarks in the USACE section of the FY2012 Energy and Water Appropriations, Congress did create \$507 million in 26 different accounts for which they left ultimate decision-making up to USACE. These funds were cobbled together by reducing funding for projects included in the President's budget request and adding \$375 million to the USACE budget in the project accounts. Yet Congress provided minimal guidance as to how the USACE should prioritize project selection, leaving the door open for projects that are not economically justified to be funded from these accounts. Furthermore, funds were provided for programs – such as environmental infrastructure – that lack worthy projects and have been opposed by successive Administrations.

We believe the \$507 million is too close to the \$533 million in Congressional earmarks from the FY2010 bill to be a coincidence. We fear Congress may be trying an end-run around the earmark ban.

Already we have instances of lawmakers lobbying the USACE to fund projects that fail to meet Office of Management and Budget (OMB) standards for investing taxpayer dollars. A prime example is the Delaware River Main Stem Deepening project. A relative low

benefit cost ratio (even after an inflated economic analysis: 1.64 to 1.0 – not high enough to meet OMB criteria), a checkered project history replete with critical evaluations from the Government Accountability Office, and no funding in the President’s budget request, has not stopped lawmakers from asking for significant funding to construct this \$300 million project. In fact, the only funding the Delaware deepening has received in recent years has been in the form of a Congressional earmark.

These “slush” funds must not simply be used to fund projects that were not good enough to make it into the President’s budget. Otherwise, the Administration will be complicit in helping lawmakers obtain earmarks through the back door while Congress claims a moratorium is in place. The “slush” funds were only in the joint explanatory statement, not in the actual bill text, thus we urge you to either save, or reprogram the funds to only the highest performing critical projects, not the previously earmarked or most politically expedient ones.

For more information, contact Steve Ellis at 202-546-8500 x126, or steve@taxpayer.net.

Sincerely,

Ryan Alexander, President
Taxpayers for Common Sense

James Valvo, Director of Government Affairs
Americans for Prosperity

Grover Norquist, President
Americans for Tax Reform

Tom Schatz, President
Council for Citizens Against Government Waste

Mattie Duppler, Executive Director
Cost of Government Center

Eli Lehrer, Vice President
The Heartland Institute

Andrew Moylan, Vice President of Government Affairs
National Taxpayers Union

Cc: Jo-Ellen Darcy, Assistant Secretary of the Army (Civil Works)
Major General Meredith W.B. Temple, Acting Commanding General and Acting Chief of Engineers