Early spring snow didn’t dampen NWC’s 2014 Legislative Summit held March 25-26 in Washington. An outstanding line-up of speakers provided informative and insightful remarks on numerous issues impacting the water resources industry.

The Honorable Bob Gibbs, Chairman of the House Transportation and Infrastructure Subcommittee on Water Resources and Environment, discussed the ongoing WRDA/WRRDA conference committee negotiations and anticipated a final report in the near future. Without revealing any of the ongoing deliberations of the conference committee, Chairman Gibbs predicted the final package will include the 3x3x3 project delivery streamlining provisions, as well as the designation of the Corps as the lead agency in the environmental review process, so that such reviews are conducted in a timely manner. Also expected in the final package, an adjustment to the Olmsted cost-share requirement, likely a compromise between the House and Senate provisions, and a call for increased expenditures from the Harbor Maintenance Trust Fund.

Senior leaders from the Corps of Engineers provided an overview of the agency’s activities and initiatives, as well as the challenges that lie ahead. Steve Stockton, Director of Civil Works, warned that USACE civil works infrastructure is on unsustainable glide-path of benign neglect. Despite the fact that every dollar spent on the civil works program generates about $9.00 in economic benefits and $2.70 in revenues to the U.S. Treasury, a continued decline in funding would result in a shift from a mission of “preventing failure” to one of “fixing after failure,” and even towards “failing to fix.”

Mark Mazzanti, Chief of Programs Integration, provided an overview of the FY14 omnibus, and related work plans, and the FY15 budget, noting the impact on programs and projects given the difference between the $5.5 billion in the FY 14 omnibus and the Administration’s FY 15 request of $4.6 billion. The drastically different numbers are a stark reminder to the water resources community of the importance of touting the value of the civil works program to the nation. That message was reinforced by Jim

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• Maritime Administration Priorities
• Welcome New Members
• Clean Water Act Proposed Rule
• Bipartisan Flood Insurance Reform
• FY 15 Civil Works Budget

2014 Legislative Summit a Resounding Success

WRDA is Coming!!

The House Transportation and Infrastructure Committee is scheduled to hold a hearing on April 29 to consider recently issued Chief’s Reports. This is viewed as one of the last hurdles to completion of a final conference report.

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Marad’s Vision
A nation that moves more freight and passengers by water

Paul “Chip” Jaenichen, the Acting Maritime Administrator, highlighted several Marad priorities to make that vision a reality during his keynote address at NWC’s 2014 Legislative Summit.

Recognizing the importance of U.S. rivers, waterways, ports and harbors to national security, the economy, the environment, and energy efficient technologies, Jaenichen discussed the America’s Marine Highway Program, a program to enable waterborne routes to serve as extensions of our nation’s surface transportation system, accommodating freight growth and alleviating landside congestion by moving more cargo on our nation’s rivers, waterways, lakes and along our coasts.

The marine highway system currently includes 22 all-water Marine Highway Routes, which provide three primary public benefits to the nation:

• They increase the state of good repair of the country’s overall transportation system – by reducing maintenance costs from wear and tear on roads and bridges
• They increase our nation’s economic competitiveness by adding additional freight capacity.
• And they increase the environmental sustainability of the U.S. transportation system by reducing energy consumption and air emissions.

Fully integrating our Marine Highways into the surface transportation system would further ensure that reliable, regularly-scheduled, competitive, and sustainable services are a routine choice for shippers.

Jaenichen then focused on Marad’s “Strongports” initiative. Noting that port improvement projects are critical to accommodate anticipated growths in trade and domestic waterborne traffic, “Strongports” aims to equip our nation’s ports for the challenges to come, by working to

• Identify their infrastructure needs.
• Support local efforts to modernize and expand.
• And improve freight movement in and around the port facilities.

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Changes at the Corps of Engineers

Major General Richard L. Stevens, currently Commanding General, United States Army Engineer Division, Pacific Ocean, Fort Shafter, Hawaii, will be taking over as Deputy Commanding General for Military and International Operations, replacing Major General Kendall P. Cox, who heads to Fort Hood, Texas.

Brigadier General Richard G. Kaiser, currently Deputy Chief of Staff for Operations, Allied Rapid Reaction Corps, England, will become the Commanding General of the Great Lakes and Ohio River Division, replacing Brigadier General Margaret W. Burcham, who will become the Director, J-1, Joint Staff, Washington, DC.

Ms. Meg Gaffney-Smith, Chief of the Regulatory Branch at Corps Headquarters, has been appointed the new Deputy Chief of the Operations and Regulatory Division.

Clean Water Act Proposal Draws Criticism

A long-expected notice of proposed rulemaking concerning the jurisdictional scope of the Clean Water Act has been released by the Environmental Protection Agency (EPA) and Corps of Engineers. According to the two agencies, the rulemaking seeks to “clarify” which streams and wetlands fall within the scope of the Act.

The agencies state that the proposed rule clarifies that most seasonal and rain-dependent streams and wetlands near rivers and streams fall within Clean Water Act jurisdiction. Waters like wetlands, ponds, and lakes that lack direct hydrologic connections to other water bodies may fall within the Act’s jurisdiction through a case-specific analysis.

The agencies further state the proposed rule preserves the Clean Water Act exemptions and exclusions for agriculture. Additionally, EPA and the Corps have coordinated with the U.S. Department of Agriculture to develop an interpretive rule to ensure that 53 specific conservation practices that protect or improve water quality will not be subject to Section 404 dredged or fill permitting requirements.

Despite the agencies’ contention that the proposed rule does not apply to any new types of waters that have not historically been covered under the Clean Water Act and that it is consistent with the Supreme Court’s interpretation of the Act, the proposal was widely criticized on Capitol Hill and by farm groups. Released within days of both agencies’ scheduled budget hearings, both Assistant Secretary of the Army (Civil Works) Jo-Ellen Darcy and EPA Administrator Gina McCarthy faced tough questioning on the proposed rule.

House Appropriations Chairman Hal Rogers (R-Ky.) called the proposal “the biggest land grab in the history of the world,” and he vowed to do everything within the committee’s authority to prevent the rule from going into effect.

As of the date of this publication, the proposed rule appears to be stuck in regulatory limbo. The proposal was released by the agencies on March 25th, and the initial intention was to publish it in the Federal Register within the next few days. Publication would officially start the 90-day comment period. However, publication has been delayed, with no timetable available.

Additional information can be found at: www.epa.gov/uswaters
Bipartisan Flood Insurance Rate Relief Becomes Law

By Dan Delich

Last month, the Grimm-Waters Homeowner Flood Insurance Affordability Act carried two-thirds vote majorities in the House and Senate before being signed into law as P.L. 113-89. Grimm-Waters swept through the Congress to relieve exorbitant flood insurance rate increases triggered by legislation enacted just 20 months prior, the Biggert-Waters Flood Insurance Reform Act (BW-12).

BW-12 extended the National Flood Insurance Program (NFIP) and flood insurance availability for five years while increasing premium rates with the goal of making the NFIP more financially stable. Grimm-Waters repeals and modifies key BW-12 provisions to reduce certain rate increases, prevent other rate increases, refund excessive premium payments for some ratepayers, and install a new policyholder surcharge.

GRIMM-WATERS SUMMARY

Senator Robert Menendez (D-NJ), lead sponsor of a rates relief bill passed in the Senate but later succeeded by Grimm-Waters, helped to broker Senate acceptance of the final bill and released the following summary:

Prevents Skyrocketing Rate Increases

- **Creates a firewall on annual rate increases** – Prevents FEMA from raising the average rates for a class of properties above 15% and from raising rates on individual policies above 18% per year for virtually all properties.

- **Repeals the property sales trigger** – Repeals the provision in Biggert-Waters that required homebuyers to pay the full-risk rate for pre-FIRM properties at the time of purchase. This provision caused property values to steeply decline and made many homes unsellable, hurting the real estate market. Under the Menendez/Grimm bill, homebuyers will receive the same treatment as the home seller.

- **Repeals the new policy sales trigger** – Repeals the provision in Biggert-Waters that required pre-FIRM property owners to pay the full-risk rate if they voluntarily purchase a new policy. This provision disincentivizes property owners from making responsible decisions and could hurt program participation. The Menendez/Grimm bill allows pre-FIRM property owners to voluntarily purchase a policy under pre-FIRM conditions.

- **Reinstates grandfathering** – Repeals the provision in Biggert-Waters that would have terminated grandfathering. If grandfathering was terminated, property owners mapped into higher risk would have to either elevate their structure or have higher rates phased in over 5 years. The Menendez/Grimm bill allows grandfathering to continue and sets hard caps on how high premiums can increase annually.

- **Refunds homeowners who...**
overpaid – Requires FEMA to refund policyholders for overpaid premiums.

- Affordability goal – Requires FEMA to minimize the number of policies with annual premiums that exceed one percent of the total coverage provided by the policy.

FEMA Transparency and Outreach Requirements

- Reimburse successful appeals – Allows FEMA to utilize the National Flood Insurance Fund to reimburse policyholders and communities that successfully appeal a map determination. FEMA currently has the authority to reimburse successful appeals of map findings, but Congress has never appropriated funding for this purpose. Making appeal reimbursement an eligible expense of the NFIF would give FEMA the incentive to “get it right the first time” and repay homeowners and communities for contributing to the body of flood risk knowledge, according to backers.

- Flood insurance advocate – Establishes a Flood Insurance Advocate within FEMA to answer current and prospective policyholder questions about the flood mapping process and flood insurance rates. The advocate will be responsible for educating policyholders about their individual flood risks, their options in choosing a policy, assisting property owners through the map appeals process, and improve outreach and coordination with local officials, community leaders, and Congress.

- Urban mitigation fairness – Requires FEMA to establish guidelines on alternative

Congratulations!

5-term NWC Chairman Bob Portiss, on 40 years of service to the Tulsa Port of Catoosa. In recognition of Bob’s achievement, he was presented with a “40-Year Tulsa Port of Catoosa Service Pin” with 5 diamonds, by David Page, Chairman of the City of Tulsa-Rogers County Port Authority.

Bob also served for several years as the Chairman of the Inland Waterway Committee of the National Transportation Research Board and served as a member of the National Marine Board. In August 2009, he was awarded the prestigious Bronze de Fleury Medal by the U.S. Army Corps of Engineers. The Bronze de Fleury Medal was established during the early years of the Corps to honor those individuals who have provided significant contributions to Army engineering.
mitigation methods for urban structures where traditional mitigation efforts such as elevation are impractical, i.e. row houses in Hoboken. This section makes clear that such alternative forms of mitigation shall be taken into account in the calculation of risk premium rates.

- **Clear communication** – Requires FEMA to clearly communicate full flood risk determinations to policyholders even if their premium rates are less than full risk. This helps to inform policyholders as to their true flood risk.

- **Fairness for small businesses, houses of worship, non-profits and low-income homes** – Requires FEMA to report to Congress on the impacts of rate increases on small businesses, non-profit entities, houses of worship, and residences with a value equal to less than 25% of the area median home value. If FEMA determines there is an effect on affordability for these properties, it must provide recommendations to Congress within 3 months after making the determination.

- **Mapping accuracy** – Requires FEMA to certify its mapping process is technologically advanced and to notify and justify to communities that the mapping model it plans to use to create the community’s new flood map is appropriate. Also requires FEMA to send communities being remapped the data being used in the mapping process.

- **Notification** – Requires FEMA, at least 6 months prior to implementation of rate increases as a result of this Act, to make publicly available the rate tables and underwriting guidelines that provide the basis for the change, providing consumers with greater transparency.

**FEMA IMPLEMENTATION**

On April 10, Senators David Vitter (R-LA), Thad Cochran (R-MS), and John Hoeven (R-ND) wrote FEMA Administrator Craig Fugate to request a meeting to discuss BW-12 implementation status. In their letter, the three Senators write that, “FEMA officials have informed our offices that these unaffordable, outdated rates will continue until new guidance is issued – which could be months. We have also been told that if our constituents do not pay the increased rates prescribed by Biggert Waters, that their policies will lapse. If their policies lapse, they will lose their opportunity to access the rates allowed under the recently passed legislation.”

In a recently released BW-12 overview, FEMA indicates that, “[i]t is not possible for changes to happen immediately. While the new law does require some changes to be made retroactively, applying to certain policies written after July 6, 2012, other changes require establishment of new programs, policies and procedures.”

In response to questions about Grimm-Waters implementation during a House Appropriations Committee hearing on March 26, FEMA Administrator Fugate said that the first priority is to immediately implement removal of the trigger to full actuarial rates at the point of sale of a property. The agency’s second priority is to process the refunds for properties sold between the July 6, 2012, BW-12 enactment, and March 21, 2014, Grimm-Waters enactment.

Dan Delich is the Director of the National Levee Issues Alliance (LIA). For more information on how to join or support LIA, please contact Dan at 214-707-8772 or dan.delich@sbcglobal.net.
Continued Underfunding of the Corps’ Civil Works Program Undermines the Nation’s Economic Development and Public Safety

That was the recurring theme at authorization and appropriations hearings on both sides of the Capitol in recent weeks. The unanimous response to the Administration’s FY15 budget request of $4.6 billion was that the proposal doesn’t provide nearly enough for the Corps of Engineers.

“Woefully inadequate” was how Sen. Mary Landrieu (D-La.) described the request for nearly 20 percent less than this year’s enacted levels, at a hearing of the Senate Appropriations Energy and Water subcommittee. Sen. Lindsey Graham (R-S.C.) agreed, stating, “We’re on track to reduce spending in an area that I think is vital to our economy, and I will help you to fix that, because if we don’t, I think we’re crazy.”

Similar frustration was expressed on the House side, with House Transportation and Infrastructure Committee Chairman, Bill Shuster (R-Pa.), declaring, “It’s clear there’s a disconnect between the administration and what we need to do in America.” That sentiment was echoed by Water Resources and Environment Subcommittee Chairman Bob Gibbs, who equated the budget request to “Groundhog Day,” where the “Administration has again mis-prioritized the projects and programs of the Army Corps of Engineers.” His counterpart on the subcommittee, Tim Bishop (D-NY), was equally dismayed at the “risky decisions” that would need to be made to absorb the nearly $1 billion cut to the Corps’ budget.

Despite the widespread frustration with the budget, it is not clear when Congressional action will incur. On the House side, the energy and water bill is not expected to be marked up by the full committee until after Memorial Day. That leaves little time in an election year to achieve the committee’s overall goal of approving all 12 spending bills before the August recess and to get as many of them as possible through the full House by that time. The Senate’s timetable is less certain, and a continuing resolution, at least for the first quarter of the year, is a likely possibility.
Hannon, Chief of Operations and Regulatory, who discussed the need to educate consumers about the impact on their pocketbooks if we fail to maintain the nation’s water resources infrastructure.

Christopher Guith, from the Institute for 21st Century Energy at the U.S. Chamber of Commerce, offered a compelling look at energy opportunities and challenges facing the United States. The nation’s tremendous energy resources can translate into jobs and economic growth. However, the lengthy, unpredictable, and needlessly complex regulatory maze facing the energy sector could stifle that growth.

A pair of speakers, Doug Bellomo, Director of Risk Analysis, Federal Insurance and Mitigation Administration at FEMA, and Dan Delich, Director of the National Levee Issues Alliance, discussed disaster risk reduction objectives, flood insurance changes and levee safety policy.

Bellomo highlighted FEMA’s strategic priorities, which focus on enabling disaster risk reduction nationally. Through collaboration with state, local, and Tribal entities, FEMA seeks to deliver quality data that increases public awareness and leads to action that reduces risk to life and property.

The annual Congressional Reception, jointly hosted this year with the Mississippi Valley Flood Control Association, drew a lively crowd who enjoyed the networking, collegiality and ability to thank the many Members of Congress in attendance for their work on behalf of the nation.

August 26-28
Tennessee Tombigbee Waterways Development Authority
Point Clear, AL
www.tenntom.org

September 30–October 2
America’s Watershed Initiative
Louisville, KY
www.conference.ifas.ufl.edu/awi

October 14-17
International Propeller Club Convention
Louisville, KY
www.propellerclubhq.com

November 12-14
Waterways Council, Inc.
Chicago, IL
www.waterwayscouncil.org

Upcoming NWC Events!

September 17-19, 2014
Annual Meeting
Bossier City, LA
The program builds on the Maritime Administration’s existing relationships and an improved planning process to bring together stakeholders, including private, local, state and federal agencies - all with the intent of generating financing for investment grade port development and modernization projects.

TIGER grants, Transportation Investment Generating Economic Recovery, is another tool to put ports and waterborne freight projects on equal footing with land-based infrastructure. Since their inception, the Department of Transportation has awarded over $420 million to 33 port and marine highway projects, both large and small, inland and coastal.

Finally, the Administrator discussed Marad’s efforts to develop a National Maritime Strategy. The objective is to develop and implement a strategy that strengthens and expands key facets of our nation’s maritime transportation system, one that government, industry, labor, shippers, and other stakeholders can all support. This initiative kicked off with a meeting in Washington in January, attended by over 200 maritime stakeholders, and another 150 participating by webinar. The primary focus of that inaugural meeting was growing the U.S.-Flag Fleet engaged in international trade.

Marad will hold its second National Maritime Symposium on May 6 to focus on domestic issues. Jaenichen encouraged all those in attendance at the Legislative Summit to attend the May 6th session and offer ideas and suggestions for a successful national strategy.


First U.S. Industry Safety Week

NWC members Great Lakes Dredge and Dock Company, Manson Construction, Massman Construction, and Weeks Marine will be participating in the first U.S. Industry Safety Week, the week of May 4-10.

Several national and global construction firms have joined together to eliminate worker injury. Their collective mission for Safety Week 2014 is to partner together in:

- Thanking our workers for supporting safety and recognizing their efforts to be injury free
- Increasing awareness of the importance of being committed to safety, every day
- Inspiring all of us to share best practices and to work together to strengthen our industry’s safety culture
- Celebrating the need to be injury free
- Conducting on-site safety awareness activities to support education.

If you are interested in celebrating Safety Week, visit www.safetyweek2014.com for ideas on how to conduct your own safety week.

Many Roles, One Goal - Building Safety Together