Improving The Partnership Process - Post WRDA 2007

Presentation by Steinberg & Associates at the QPI Workshop Ponce, Puerto Rico, December 2, 2008
Changes in Legislation, Policies and Procedures & Their Impact on Navigation Projects

- Funding Constraints
- Independent Peer Review
- Cost Estimating
- Credit for Work In-Kind
- New Planning Models
- Presentation to the Civil Works Review Board
- Title II WRDA 2007 Provisions
- Title III & V WRDA 2007 Provisions
Very Limited Funds Budgeted for Studies

- Slows down feasibility studies and results in stretch out of their completion: FY 2009 Budget contained one-third as much as FY1999

- Results in further delays as new policies & legislative provisions require additional work

- Significantly dilutes the Corps planning capabilities
Very Limited Funds for PED

- Negates the concept of “seamless funding”
- Delays preparing the project for construction
- Frequently requires updating of project economics prior to signing a cost sharing agreement
Independent Peer Review

- Corps guidance to the Field in 2005 and 2007 enabled the Corps to get a head start
- The most onerous provisions in certain early versions of WRDA bill were dropped or modified
- Districts have established plans for their studies
- Seems to be functioning pretty well
Cost Estimating

- Traditional MCACES estimate turned out to be lacking

- Section 902 Limit was exceeded too often and required a post authorization change and legislation increasing the cost
Cost Estimating Cont.

- **Cost Risk Analysis** implemented in 2007 should result in improved cost estimates and reduce the number of times that PACs and Legislation are needed.

- Resolving appropriate contingencies can be time consuming, particularly with the fluctuating price of fuel oil.
Credit for Work In-Kind

- Section 2003 broadens opportunities for Ports to accomplish work in-kind and receive credit toward the balance of the non-Federal share (see EC1165-2-208)

- The project must be authorized

- The work in-kind can take place before a PPA is executed
Credit for Work In-Kind Cont.

- The work in-kind need not necessarily have been mentioned in the Chief’s Report or in the authorizing legislation (See 9 examples in App.)

- Section 2003 of WRDA 2007 spells out procedures leading to signing of an MOU prior to work in-kind that commences after Nov. 7, 2007
New Planning Models

- Have delayed completion of feasibility reports
- While there may be valid reasons for new models, studies should not be unilaterally delayed while new models are being developed and certified
- The goal of Section 2033 of WRDA is for the Corps to complete feasibility studies in 2 to 4 years
The goal was to have about 12 feasibility reports a year presented to the board.

In FY2007, 5 reports were presented.

In FY2008, 4 reports were presented.

None of the FY2008 presentations have resulted in Chief’s Reports thus far.
Presentation to Civil Works Review Board Cont.

- Preparation of required material is extensive and time consuming

- The result has been a delay in initiation of PED (even when funds have been appropriated)
Title II WRDA 2007 Provisions

- Guidance has been issued for several Title II provisions of interest to Ports
- Guidance pending on other provisions
- For WRDA sections where guidance is pending AAPA should review drafts and have input before the guidance is final
- Sections 2029, 2033 and 2036 are examples
Section 5001 of WRDA 2007: Maintenance of Federal Navigation Channels

- 10 projects listed in Section 5001 constructed navigation features that should be maintained by the Corps

- Section 5001 requires a study documenting the justification for the Federal assumption of maintenance

- Draft guidance was flexible as to the source of funds for the study/report

- We understand that final guidance is pending that will require the study to be treated as a feasibility study (50-50 cost sharing) and require a specific appropriation for the funding of the study.
Need For Improvements

- Continuation of severely constrained budgets for studies and PED is the most serious problem the Ports are facing insofar as getting new projects authorized and ready for construction.

- The goal of completing feasibility studies in 3-4 years has become a myth, even when studies do receive adequate funds.
Need For Improvements Cont.

- The goal established by Congress to complete feasibility studies in 2-4 years cannot be achieved without adequate funds and the streamlining contemplated in Section 2033.

- The challenge is how to streamline the planning process notwithstanding the requirements mandated by WRDA2007 and procedures introduced by the Corps.
Thank You