

SWCLC Southwest California Legislative Council

*A Coalition of
The Temecula Valley, Murrieta, Lake Elsinore Valley and Wildomar Chambers of Commerce*

MEETING AGENDA
Monday, September 16, 2013

Ortega Adult School, 520 Chaney St., Lake Elsinore

Presiding: Dennis Frank, Chair

2013 Strategic Initiatives
Budget & Tax Reform / Job Creation and Retention / Healthcare Reform

Call to Order, Roll Call & Introductions:

Chair Report

Agenda Items

1. Approval of August 2013 Meeting Minutes Action
2. Legislative Report #9 Action
 1. [SB 323 \(Lara\) as amended: Taxes: exemptions: prohibited discrimination](#)
 2. [Water Resources Reform and Development Act of 2013 \(WRRDA\) \(Shuster\)](#)
 3. TBD
5. Darlene Wetton, CEO, Temecula Valley Hospital Hospital Update & Healthcare Legislation Information & Dimitrios Alexiou, Regional VP, Hospital Association of California.
6. Regional Legislator, Staff and Stakeholder Updates Information

Federal: Senators Feinstein & Boxer. Representatives Calvert & Hunter
State: Governor Brown, Senators Emmerson, Anderson & Roth, Assemblymembers Melendez, Waldron, Jones & Nestande
Local: County, Cities, Utilities, EDC, Healthcare, League of Cities
6. Chamber & Council Member Announcements Information
7. Lunch Sponsor - Don Jose's Mexican Restaurant Thank You



Adjourn – Next meeting October 21, 2013



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The Southwest California Legislative Council Thanks Our Partners:

Southwest Riverside Country
Association of Realtors
Metropolitan Water District of
Southern California
Near-Cal Corporation
Economic Development Corp of
Southwest California
Elsinore Valley Municipal Water
District

The Gas Company
Abbott Vascular
The Murrieta Temecula Group
Temecula Valley Chamber of
Commerce
Murrieta Chamber of Commerce
Lake Elsinore Valley Chamber of
Commerce

Wildomar Chamber of
Commerce
Southern California Edison
Loma Linda University Medical
Center
Southwest Healthcare Systems
Walmart

Please consider adding your business to the list. The SWCLC is fully funded by sponsorships from various private organizations and businesses. The SWCLC exists solely because of the contributions of these proactive organizations and businesses located throughout the region. Without their support the actions of the SWCLC would not be possible.



Southwest California Legislative Council

**Murrieta Chamber of Commerce
Temecula Valley Chamber of Commerce
Lake Elsinore Chamber of Commerce
Wildomar Chamber of Commerce
Meeting Minutes
August 19, 2013**

Legislative Consultant: Gene Wunderlich

2013 Chair: Dennis Frank, D.R. Frank & Associates

Directors Attendance: Nicole Albrecht, Financial Accounting Services
Steve Amante, Amante & Associates
Glen Daigle, Oakgrove Equities
Jeff George, Superior Quality Construction
Judy Guiliemana, Town & Country Real Estate
Tony Lopicolo, Carrington Mortgage Services
Greg Morrison, EVMWD
Don Murray, Commerce Bank of Temecula Valley
Shaura Olsen, Walmart
Joan Sparkman

Directors Absent: Tony Amatulli, Amatulli Auto Parts
Alex Braicovich, CR & R, Inc
Isaac Lizarraga, Rancho Ford Lincoln
Karie Reuther, The David Reuther Vocal Studio
Gary Thornhill, Tierra Verde

Council Guests: Andy Abeles, Coldwell Banker
Brian Ambrose, City of Murrieta
Jeff Bott, T.C.A.
Danielle Coats, EMWD
Brenda Dennstedt, Congressman Calvert/WMWD
Eric Dowling, Senator Anderson
Frank Faldmo, Amante & Associates
Lou Ellen Flicke, CBTU
Michael Gregory, Gregory Consulting
Kristin Harrison, Do It Yourself Divorce
Mike Hestrin, Candidate for District Attorney
Dale Hite, Integrity Pro Real Estate
Deni Horne, Assemblywoman Melissa Melendez 67th District
Christine Iger, Iger & Associates
Connie Lynch, SRCAR
David Madsen, South Coast AQMD
Nori Matsumoto, Azusa Pacific University

Jami McNees, Temecula Insurance
Gino Patrizio, Inland Valley Medical Center
Myles Ross, Catalyst Lending
Matt Russall, Edward Jones
Erin Sass, League of Cities
Maggie Sleeper, Senator Anderson
Tom Somers, Pacific Advisors
Jackie Steed, Nation Merchants Association
Tom Stinson, Assemblywoman Marie Waldron 25th District
Walter Wilson, SRCAR
Roger Ziemer, RC Ziemer & Assoc.

Staff Present: Kim Cousins, Michelle Simon-Lake Elsinore Valley Chamber of Commerce
Laura Turnbow-Temecula Valley Chamber of Commerce
Patrick Ellis-Murrieta Chamber of Commerce
Karen Pollock-Wildomar Chamber of Commerce
Dorothy Wolons-Menifee Chamber of Commerce

Staff Absent: Alice Sullivan, Temecula Valley Chamber of Commerce

Meeting called to order at: 12:07 P.M. by Chairman Dennis Frank

1. Approval of Minutes Action

Directors reviewed the Minutes from the July 15, 2013 meeting. **The motion was made to approve the minutes as written. The motion was seconded and carried by a unanimous vote.**

2. Legislative Report #2 Action

1. AB 12(Cooley): State government: Administrative Procedure Act: standardized regulatory impact analyses

Following discussion, the motion was made to SUPPORT AB 12. The motion seconded and carried by a unanimous vote.

2. SB 176 (Galgiani): Administrative procedures
Following discussion, the motion was made to SUPPORT SB 176. The motion was seconded and carried by a unanimous vote.

3. AB 1383 (Hueso): Administrative practices.
Following discussion, the motion was made to SUPPORT AB 1383. The motion was seconded and carried by a unanimous vote.

4. SB 648 (Corbett): Electronic cigarettes: restriction of use and advertising
Following discussion, the motion was made to SUPPORT SB 648. The motion passes with a 6 to 4 vote.

5. SB 594 (hill): Use of public resources
Following discussion, the motion was made to OPPOSE SB 594. The motion was seconded and carried by a unanimous vote.

3. Year-to-Date Review Information

4. Summary of Affordable Care Act – Steve Amante Information

Most Americans do not understand the impact this will have on them. For individuals & families healthcare will be required by January 2014, there will be penalties for not having health insurance. Changes in 2014, Insurances will provide coverage no matter if there is a pre existing health issue. There will be an online portal to purchase health insurance called Covered California. The State exchange for that will be open October 1st through March 31, 2014. Employers that have 1-49 employees that offer their employees health insurance may get a tax credit.

Employers that have 50 or more employees must offer their employees health insurance or they will get a penalty of 2,000.00 per employee, starting at the 31st employee.

Congressman Ken Calvert

Report by Brenda Dennstedt

The Congressman is in recess. They will not be back in session until September 9th. The Congressman just went on a tour with the Lake Elsinore Chamber of Commerce to several businesses. When the Congressman gets back from recess he is going to be working on a resolution for funding from government-there is currently no budget.

Senator Joel Anderson

Report by Maggie Sleeper

Maggie would like to thank Western Municipal Water District for the Delta Tour that she just came back from, as this was a highly informative session on the issues affecting the Delta. Senator Anderson was opposed to Obama care until the Supreme Court ruled that it was constitutional. Based upon that ruling the Senator is simply looking for the path we must take in order to be compliant with the Federal Mandate, but is concerned that we will not get the appropriate funding for implementation. The other issue of great concern to the Senator is the recent revelation that there were forced sterilization of prison inmates. To that end the Senator has requested a hearing on the practice and to ensure nothing like this ever happens again to prisoners.

Assemblywoman Melissa A. Melendez

Report by Deni Horne

The Assemblywoman had her first bill (AB 813) signed into law by Governor Brown on August 16th. Currently she is working two other bills, through the Senate at the moment which are AB 681 & AB 526.

Assemblywoman Marie Waldron

Report by Tom Stenson

514 bills that were approved by the Assembly & 755 bills approved by the Senate and those are working their way through for final approval as of September 14th and the Governor has another month to sign or veto them.

City of Lake Elsinore

Report Kim Cousins

The Mayor Bob Magee will be presenting the State of Our City Address on August 22nd at 5:00 P.M. at the Diamond club in Lake Elsinore.

City of Wildomar

Report Karen Pollock

On August 23rd at 8:00 A.M. there will be a ribbon cutting for the Clinton Keith Bridge and the I-15 Interchange.

City of Meniffee

Report by Dorothy Wolons

The city has changed their council meetings to the first and third Wednesdays.

5. Chamber & Council Member Announcements Information

Lake Elsinore Valley Chamber of Commerce

Report by Kim Joseph Cousins

The Lake Elsinore Valley Chamber of Commerce will be hosting their luncheons at the Diamond club in Lake Elsinore on September 19th Topic: "A Economic Update by Dr. John Husing" & on October 17th Topic: "A Conversion with Congressman Ken Calvert"

Murrieta Chamber of Commerce

Report by Patrick Ellis

The Murrieta Chamber of Commerce will be having their next Mixer on September 5th at Bear Creek Country Club. On September 21 & 22nd will be the Chambers first Get Sham Rocked event. This will be a two day Irish Music Festival that will be held in Town Square Park.

Wildomar Chamber of Commerce

Report by Karen Pollock

The Wildomar Chamber of Commerce will be having their Wake up Wildomar Breakfast on September 4th at 7:30 A.M.

On September 19th they will be having their mixer at Vision Experience at 5:30 P.M.

Temecula Chamber of Commerce

Report by Laura Turnbow

The Temecula Valley Chamber of Commerce will be having a mixer on August 21st at Temecula Buick GMC. On September 18th they will be having their Temecula Extravaganza. On October 10th they will be having the Legislative Summit at Pechanga.

Menifee Chamber of Commerce

Report by Dorothy Wolons

The Menifee Chamber of Commerce will be having their Wake up Coffee on August 21st at 7:30 A.M. On September 11th they will be having their mixer at REMAX Real Estate at 5:30 P.M.

Eastern Water District

Reported by Danielle Coats

No comments at this time.

Western Water District

Reported by Brenda Dennstedt

They are ready to do tours of the Bay Delta for any group that is interested.

League of Cities

Report by Erin Sass

The League is tracking SB56 which would restore funding. This bill is currently sitting in the Senate appropriations committee.

Healthcare

Report by Gino Patrizio

Gino is watching two bills that would expand the authority and scope of services of a physician practioner (PA). There is great concern over these bills in the medical community, as it relates to excellence in medical care and liability.

6. Lunch Sponsor Jersey Mike's Eat There

Motion to Adjourn at 1:20 P.M.

SB 323 (Lara) as amended: Taxes: exemptions: prohibited discrimination**Recommended action:****Presentation: Gene Wunderlich****Bill Summary:**

Provides that, for taxable years beginning on or after January 1, 2014, any "public charity youth organization" shall not be exempt from the Corporation Tax (CT) Law if it discriminates on the basis of gender identity, race, sexual orientation, nationality, religion, or religious affiliation.

Specifically, this bill:

- 1) Defines a "public charity youth organization" to include, without limitation, all of the following: "Little League, Bobby Sox, Boy Scouts, Cub Scouts, Girl Scouts, Campfire, Inc., Young Men's Christian Association, Young Women's Christian Association, Future Farmers of America, Future Homemakers of America, 4-H Clubs, Distributive Education Clubs of America, Future Business Leaders of America, Vocational Industrial Clubs of America, Collegiate Young Farmers, Boys' Clubs, Girls' Clubs, Special Olympics, Inc., American Youth Soccer Organization, California Youth Soccer Association, North, California Youth Soccer Association, South, and Pop Warner football."
- 2) Specifies that a public charity youth organization discriminates if the organization either has a formal policy of discrimination or refuses to provide the Franchise Tax Board (FTB) written assurance of a formal policy barring discrimination.
- 3) Provides that specified youth organizations set forth in Revenue and Taxation Code Section 6361 shall not be entitled to preferential "consumer" status under the Sales and Use Tax (SUT) Law if they discriminate on the basis of gender identity, race, sexual orientation, nationality, religion, or religious affiliation.
- 4) Takes immediate effect as a tax levy.
- 5) Provides that an organization organized and operated exclusively as a public charity youth organization that discriminates on the basis of gender identity, race, sexual orientation, nationality, religion, or religious affiliation shall not be exempt from the Minimum Franchise Tax and the Corporation Tax.
- 6) Amends the Sales and Use Tax Law to preclude organizations that discriminate on the basis of gender identity, sexual orientation, and religious affiliation from being considered a nonprofit organization. Organizations that so discriminate would be considered retailers, not consumers, for purposes of the Sales and Use Tax Law, therefore obligating them to obtain sellers' permits, and collect and remit the sales and use tax on its sales of currently exempt items of tangible personal property.
- 7) Provides that any nonprofit private educational institution that sponsors a currently exempt youth group must also not discriminate on the basis of gender identity, race, sexual orientation, nationality, religion or religious affiliation for its sponsored group to retain exempt status. Additionally, any of the groups spelled out in law as exempt, must not discriminate based on gender identity, race, sexual orientation, nationality, religion, or religious affiliation to retain exempt status.
- 8) Requires FTB to determine compliance with the provisions of this bill prior to informing the taxpayer that it acknowledges IRS's tax-exemption determination, and allows California not to recognize the IRS determination should discrimination exist.
- 9) Provides that taxpayers that have their status revoked, and subsequently end discriminatory behavior, can regain exempt status.

Existing law:

Exempts, in modified conformity with federal income tax law, the income of various types of organizations from taxes imposed by the CT Law.

Fiscal Effect:

The FTB has provided the following revenue estimate for the income tax provisions of this bill: While it is estimated that there are approximately 7,400 organizations that could potentially be affected by this bill, staff was unable to determine the number that discriminate upon the basis specified in this proposal. For each organization determined to discriminate, it is estimated the revenue generated per taxpayer would be approximately \$1,000 per open tax year. Taxpayers generally have one to four open tax years, depending on when they were organized and when they filed their returns.

The State Board of Equalization, in turn, estimates that if the Boy Scouts of America (BSA) were to have its preferential consumer status revoked, it could increase state and local SUT revenues by as much as \$251,372 in fiscal year (FY) 2013-14, \$251,560 in FY 2014-15, and \$251,729 in FY 2015-16.

Summary:

What would this bill do?: This bill contains two provisions. Under the first, this bill would deny tax-exempt status to any public charity youth organization, as defined, that discriminates on the basis of gender identity, race, sexual orientation, nationality, religion, or religious affiliation. This bill's second provision would deny specified youth organizations preferential consumer status under the SUT Law if they discriminate on any of the grounds listed above. Based on the statements provided by both this bill's author and sponsor, it would appear that this measure is plainly directed at the discriminatory policies and practices of the BSA.

The BSA: The BSA is a private, not-for-profit organization dedicated to instilling its system of values in young people. The BSA seeks to accomplish this goal by having its adult leaders spend time with youth members, engaging them in activities like camping, archery, and fishing.

The BSA also has a long and well-documented history of discriminating against individuals based on their sexual orientation. Specifically, the BSA has historically asserted that "homosexual conduct" is inconsistent with the values it seeks to instill. *Boy Scouts of America v. Dale* (2000) 530 U.S. 640, 644.

Within the past few months, however, the BSA has taken significant steps to modify its membership policies. On May 23, 2013, 1,232 voting members of the BSA voted on a resolution maintaining the organization's existing membership policy for adult leaders, but providing that youth may not be denied membership in the BSA based on sexual orientation or preference alone. The resolution passed with a 61% majority.

The only certainties in life are death, taxes, and litigation: The weight of case law suggests that California would be well within its rights to end its tax subsidies to youth organizations that discriminate based on sexual orientation. It is nevertheless likely that this bill's application would be challenged on *First Amendment* grounds. The state, in turn, would likely defend against any such challenge by arguing that this bill is content neutral. Specifically, the state would argue that this legislation seeks to end governmental subsidies to youth organizations that engage in discriminatory *conduct* based on sexual orientation, and does not seek to suppress any particular *viewpoint* afforded constitutional protection.

The perennial question of where to draw the line: It should be noted that, while this bill would revoke the tax-exempt status of youth organizations that discriminate based on sexual orientation, it would have no effect on the numerous other organizations that continue to receive preferential tax status despite their discriminatory policies. For example, many churches refuse to ordain female priests and pastors, while still others refuse to officiate same-sex marriages. Nevertheless, the state continues to afford these organizations exempt status under the tax code, indirectly subsidizing their conduct.

In addition, while this bill would revoke the tax-exempt status of discriminatory youth organizations, the FTB notes that it would not impact a donor's ability to receive a charitable deduction for contributions to the very same organizations. This would result in the continuation of at least an indirect governmental subsidy to discriminatory youth organizations.

ARGUMENTS IN SUPPORT: According to the author, "Despite California's non-discrimination policy for state-supported programs and activities, some youth organizations still exclude potential participants and other organizations could do so in the future. Even more troubling is that youth groups that discriminate now, or could in the future, rather than being penalized, are rewarded with special tax breaks in the form of exemptions from taxes on items they sell and on their income. California, and the nation, must take action to stop the exclusion of LGBT youth. Therefore, California should lead the way and not reward these practices with special tax privileges. SB 323 makes clear that, in accordance with existing California law prohibiting discrimination in state-supported programs activities, youth organizations that exclude potential participants based on their sexual orientation, gender identity or religious affiliation will no longer be rewarded with state support in the form of these special tax exemptions."

ARGUMENTS IN OPPOSITION: The opposition state that this bill is designed to pressure youth groups to recant their values and beliefs, and it takes the unprecedented and alarming step of wielding the tax power as a weapon directed at the political enemies of the lesbian, gay, bisexual, and transgender lobby. In the name of fighting discrimination, this legislation would actually discriminate against organizations that have faith-based convictions. They further contend that it is an attack on organizations that have a long and honored tradition of serving youth and developing leadership skills. Government should not be in the business of dictating the policies and religious convictions of private groups and charities. This bill threatens non-profits with being taxed and having current tax exemptions striped if they do not accept and embrace the state's ideas on sexual orientation and gender identity, and if they do not incorporate them into their hiring, practices, membership, objectives or activities. The opposition further notes that while supporters contend that they are not dictating the views of a non-profit organization, they are doing so indirectly by rewarding only non-profits that adopt their viewpoint on sexual orientation and gender identity with tax exemptions.

Supporting:

Equality California (source)
 ACLU
 AFSCME
 California Immigrant Policy Center
 California National Organization for Women
 California Tax Reform Association
 City of West Hollywood

Courage Campaign
 Gay and Lesbian Community Services Center of Orange County
 Gay-Straight Alliance Network
 Humboldt County Board of Supervisors
 Los Angeles Gay and Lesbian Center
 SEIU California

Opposing:

Board of Equalization Member, George Runner
 Calvary Assembly of God
 Capitol Resource Institute
 Church State Council

Concerned Women for America of California
 First Christian Church
 Pacific Justice Institute
 Traditional Values Coalition

Status: Passed Senate - to Assembly floor.

Votes: Anderson 'NO', Emmerson 'NO', Roth 'YES'

Legislative Report Item 2	Action Item
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[Water Resources Reform and Development Act of 2013 \(WRRDA\) \(Shuster\)](#)

Recommended action: SUPPORT
Presentation: Gene Wunderlich

Bill Summary:

Traditionally, water resources legislation focuses on developing, maintaining, and supporting our Nation's vital port and waterway infrastructure needs, as well as supporting effective and targeted flood protection and environmental restoration needs. Congress used to consider such bills to authorize the U.S. Army Corps of Engineers studies and construction activities every two years, but has not approved one since 2007.

According to the Author:

“The ports, channels, locks and dams, and other infrastructure that support our maritime and waterways transportation system and provide flood protection for our homes and businesses are vitally important to a healthy national economy and job growth. Ensuring a sound infrastructure network is a shared responsibility, with a strong federal role recognized by our

Founding Fathers, as well as a need for leadership at the state level. However, our water transportation system is quickly becoming more obsolete every day. We need fiscally responsible reforms for how our Nation maintains and improves this infrastructure, and we need to empower states with the flexibility they need to move forward with projects when federal bureaucratic hurdles stand in the way of progress.”

“While it once took the Corps of Engineers three to five years to complete a study, it has now become the norm for this process to take 10 to 15 years. The unwieldy review process remains tied up in red tape, costing us time and money and preventing action. We need to change the way the Corps of Engineers does business, and WRRDA will do that.”

“This legislation will make major reforms to increase transparency, accountability, and Congressional oversight in reviewing and prioritizing future water resources development activities. WRRDA will contain no earmarks, and will not cede Constitutional Congressional authority to the Executive branch that would simply allow the Corps and the Administration to move ahead without the necessary checks and balances.”

“Current law limits the ability of states and other non-federal interests to spend their own money to move forward with authorized federal studies and projects. These statutory roadblocks hold back the development of our water resources infrastructure for no good reason. WRRDA will break down these barriers, unlocking the opportunity for increased non-federal investment and ensuring that state, local, and private sector resources are no longer forced to sit on the sidelines while America’s competitiveness slips away.”

“While we have to recognize the economic importance of our water resources infrastructure, our financial resources are limited. That’s why this bill will provide for greater fiscal responsibility as all levels of government and the private sector work together to strengthen America’s ability to remain globally competitive.”

This Bill:

House Transportation & Infrastructure's WRRDA bill has a big shout out in a memo from House Majority Leader Eric Cantor outlining the House’s floor agenda for September and October, backing up what T&I leaders have said about the bill having been given floor time for October. The memo calls WRRDA a “model for a new way to do business,” saying it “cuts federal red tape and bureaucracy, streamlines the project delivery process, improves competitiveness, strengthens water resources infrastructure, and promotes fiscal responsibility. Most importantly, WRRDA contains no earmarks. It also increases transparency, accountability and Congressional oversight in reviewing and prioritizing future water resources development activities without ceding Constitutional Congressional authority to the executive branch.”

In The News:

With House Republican leaders teeing up a major -- and likely pricey -- water policy bill for the fall, the **U.S. Chamber of Commerce** today unveiled a campaign aimed at winning over inexperienced or reluctant lawmakers. But many lawmakers are new to the lower chamber since Congress last passed the Water Resources Development Act in 2007, and selling what will likely be a multibillion-dollar authorization bill for little-understood resources to fiscal conservatives will be no easy feat. The Chamber of Commerce's Waterways Work for America campaign aims to do just that, offering a state-by-state [breakdown](#) highlighting the importance of the nation's marine transportation system to supply chains and businesses.

While the benefit is clear in states like Louisiana and Pennsylvania, which have a number of ports and inland waterways, the campaign underscores that even states without major water resources have a stake in the system. For instance, parched New Mexico sees \$3 billion in manufactured goods shipped in and out, and 3,070 jobs are supported by the waterways system, according to one of the chamber's fact sheets. **California's major ports and waterways support nearly 350,000 jobs and contribute some \$67 billion to the state's economy.**

WATERWAYS WORK FOR CALIFORNIA



Waterways and ports support 348,965 California jobs and directly contribute \$67 billion to our state's economy. Smart investment in this vital system will help create jobs and keep our economy growing.

ESSENTIAL COMMODITIES ARE SHIPPED TO AND FROM CALIFORNIA THROUGH WATERWAYS AND PORTS:



\$292 Billion

of manufactured goods including computers and electronic products, appliances, machinery, electrical equipment and clothing



\$48 Billion

of petroleum products and crude petroleum that is refined into gasoline and sold at neighborhood gas stations



\$34 Billion

of agricultural and food products destined for American supermarkets and for export

COMMODITIES TRAVEL TO AND FROM CALIFORNIA ON MANY VITAL TRANSPORTATION LINKS, INCLUDING:



WATERWAYS:

Sacramento River, Columbia/Snake River, Missouri River



PORTS:

Port of Los Angeles, Port of Long Beach, Port of Oakland

WATERWAYS AND PORTS CONTRIBUTE DIRECTLY TO CALIFORNIA'S ECONOMY:

Total Revenue Impact:

\$67 Billion

=

Direct Business Revenue:

\$35 Billion

+

Personal Income:

\$25 Billion

+

Local Purchases:

\$7 Billion

TOGETHER, WATERWAYS AND PORTS SUPPORT

348,965 California jobs

DID YOU KNOW?

- California has 286 miles of inland waterways
- The state's three major container ports handle approximately 50% of the nation's total container cargo volume
- Nationwide more than 2 million jobs are linked to California's public ports

Waterways and ports help drive California's economy. Failure to invest in our waterways and ports will hurt California's exports, business sales and job creation.

With smart investment, we can handle increasing cargo loads efficiently, begin to address problems caused by congestion and delays and power California's economic growth.

Sources: Delcan Real-Time Freight Intelligence, U.S. Army Corps of Engineers Waterborne Commerce Statistics, U.S. Department of Commerce International Trade Administration Import and Export Data, U.S. Department of Transportation's Commodity Flow Survey, National Waterways Foundation, Waterways Council, Inc., ASCE 2013 Infrastructure Report Card

USCHAMBER.COM



WATERWAYS WORK FOR AMERICA



UNDERSTANDING THE WATER RESOURCES DEVELOPMENT ACT (WRDA)

America's marine transportation system is vital to our nation's competitiveness and economic growth.

The system safely, efficiently and cost-effectively transports hundreds of commodities like petroleum, coal, industrial chemicals, building materials and agricultural products to destinations within the United States and to deep water ports for export.

The inland waterways and ports are maintained and operated by the U.S. Army Corps of Engineers (Army Corps). But it's up to Congress to provide authority and funding for maintenance and operations. The Water Resources Development Act (WRDA) is the primary legislative vehicle through which specific projects are authorized while annual appropriations bills are the legislative vehicle that funds these projects.

WRDA authorizes new projects for flood protection, port improvement and upgrades to the nation's aging locks and dams infrastructure. Additionally, the legislation promotes projects that improve hydropower, municipal and industrial water supply, ecosystem restoration and recreational opportunities.

RELIEF FOR A SYSTEM UNDER STRESS

In 1986 Congress adopted a major overhaul of Army Corps programs and envisioned new WRDA legislation every two years. Unfortunately, it hasn't happened that way. It's been nearly six years since the previous WRDA passed in 2007 — and Congress had to override a Presidential veto to pass the legislation. Before that the previous authorization passed in 2000.

As a result, the Corps has been chronically underfunded. System maintenance has fallen behind. Critical new projects can't get started, and those project that do receive funds move slowly as resources are stretched to meet multiple priorities.

In fact, at current funding levels the Corps estimates it will take 77 years — the entire lifespan of an average American — to complete the 22 planned major construction and rehabilitation projects.

A VITAL INVESTMENT IN AMERICA

Modernizing the nation's marine transportation system can create American jobs, increase exports, and inject billions of dollars into the U.S. economy. On average, investment in the marine transportation system infrastructure returns more than 10 times to the nation's economy what is spent.

The Water Resources Development Act will promote investment in the nation's critical water resource infrastructure, streamline project delivery and reform the implementation of Corps programs.

The 113th Congress has the opportunity — for the first time in six years — to move WRDA legislation. Congress can kick-start strategic investment in our ports and inland waterways, increase American competitiveness and, in the process, create hundreds of thousands of high-paying U.S. jobs.

FAST FACTS

77 Years

At current funding levels it will take 77 years to complete 22 planned major projects.

\$1 = \$10

Every \$1 invested in our inland waterways returns \$10 to our nation's economy.

Sources:

2013 Report Card for America's Infrastructure, ASCE
National Waterways Foundation
Waterways Council, Inc.

