

Congressman Hal Rogers
Kentucky's 5th Congressional District
Statement for the Record

House Committee on Transportation and Infrastructure
Subcommittee on Water Resources and Environment
2020 Water Resources Development Act Member Day Hearing
February 27, 2020

Chairman Napolitano, Ranking Member Westerman, and other distinguished Members of the subcommittee, I would like to thank you for your consideration of my priorities for the 2020 Water Resources Development Act (WRDA). I know your Committee works diligently to ensure that all Americans can benefit from our nation's incredible water resources and infrastructure—whether through the transportation of goods on our waterways, locks, and dams, flood control projects that protect our communities from disaster, and also incredible recreational opportunities. Previous WRDA bills have done a great deal to help the people of my district in southern and eastern Kentucky across each of the aforementioned areas. Whether it is the importance of locks and dams on the Kentucky and Ohio Rivers to the Kentucky economy, Wolf Creek Dam on Lake Cumberland, the incredible flood control projects in many of my towns and communities, and our Corps lakes' many recreational uses, we benefit greatly from these resources. As you begin the 2020 WRDA process, I would like to raise three specific priorities that will benefit those in my district in Kentucky. Legislative Language for each of these proposals is attached.

Increase the Authorized Funding Level and Modify the Service Area for the Section 531 Environmental Infrastructure Program

First, I am requesting two modifications to the Section 531 Environmental Infrastructure Program for Southern and Eastern Kentucky— (1) increasing the authorization level from \$40 million to \$80 million, and (2) adding additional Kentucky counties that could benefit from improved environmental infrastructure.

Section 531 was originally authorized in the 104th Congress. It has provided great benefit to my district by bringing reliable wastewater treatment and collection systems to thousands of Kentucky households, schools, and businesses. This program not only helps create much needed jobs, but also enhances our region's potential for future economic development. While the need for this program continues, Section 531 unfortunately reached its authorized funding level of \$40 million in FY19. Increasing this authorization level to \$80 million would help ensure that this program can continue to improve access to safe drinking water and wastewater systems.

This language would also add four additional Kentucky counties to the program--Boyd, Carter, Elliott, and Lincoln Counties. These counties were not included in the original Section 531 program, but they have serious environmental infrastructure issues, and their inclusion in Section 531 would dramatically increase our ability to address these issues.

Concessionaire Gross Revenue Fees

Second, I am seeking the inclusion of language that caps the amount of fees that the Corps can charge concessionaires for revenues from the sale of commoditized items like fuel and food items. Currently, the Corps charges concessionaires escalating fees based on how much gross revenue they earn in a given year, and this can reach as high as 4.6 percent of gross revenues. Fuel and food sales are very important amenities that the general public expects at these facilities, but these items are typically sold with a margin of only one or two percent. More importantly, this rate structure provides a disincentive for concessionaires to provide, expand, or enhance food sales locations, which could directly impact the quality of the public's enjoyment of these facilities. To rectify this situation, my proposed language would provide a cap of 1 percent on the amount of revenue fees charged for the sale of commoditized items, including food and fuel sales, at a concessionaire's operation.

Concessionaire Authorized Lease Length & Approval Authority

Finally, I am seeking the inclusion of language that would modernize the lease term length between the Corps and concessionaires. Under current law, the lease terms the Corps provides to concessionaires may be inconsistent and inadequate for the Corps to meet their Congressional mandates of enhancing the public access and enjoyment of federal resources. Private concessionaire investment, which helps the Corps meet these mandates, is dependent upon adequate and affordable financing. The current length of time that the Corps provides to concessionaires is problematic in that the term varies from district to district, and is generally insufficient to allow for traditional financing.

As a result, I request that the term for a lease provided by the Corps to concessionaires be modified to provide for a base 25-year lease and then the option of additional 25-year extensions if agreed upon by both the Corps and the concessionaire. This will allow for a consistent national leasing structure and provide a period of time that allows concessionaires to seek and receive the financing they need to start-up, expand or improve their facilities.

Further, the Corps currently requires any lease of 50 or more years to be approved by Headquarters, USACE. This level of decision authority dramatically increases the bureaucratic hurdles faced by concessionaires, when it is the local Corps districts and divisions that have the best understanding of what would best serve that region's interests. As such, my proposed language would also direct the Secretary to delegate this authority, when appropriate, to lower levels of Corps leadership.

Thank you again for your consideration of my 2020 WRDA requests. I look forward to working with you as this process unfolds, so we can continue to maximize both Kentucky and our nation's water resources. If you or your staff have any questions, please do not hesitate to contact me or my staff.