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GOVERNMENT SHUTDOWN CONTINUES

The federal government shutdown has affected all agencies of the Executive Branch (the Corps, EPA, NOAA, etc.) with some essential workers required to work without pay and all others furloughed and also without pay. The Senate and its committees have continued to meet, while the House meets only for pro forma sessions lasting less than five minutes every few days. Since the House is essentially not in town, that puts pressure on the Senate to find some way to break the impasse. Your sources of daily news are your best source of up-to-date developments on the end of the shutdown. Our insight is focused on the simple reality that whenever the two parties decide it is time to negotiate, the end of the shutdown will be in sight.

OMB PAUSES \$11 BILLION OF CORPS PROJECTS

The White House Office of Management and Budget announced last Friday that it had paused \$11 billion in Corps projects. As of our publication date, there has been no list of affected projects released. Here is the text of that announcement:

"The Democrat shutdown has drained the Army Corps of Engineers ability To manage billions of dollars in projects. The Corps will be immediately Pausing over \$11 billion in lower priority projects and considering them For cancellation, including projects in New York, San Francisco, Boston, And Baltimore. More information to come from the Army Corps of Engineers."

WATERLOG EXCLUSIVE: NONSTRUCTURAL CORPS PROJECTS ON HOLD

The U.S. Army Corps of Engineers has conducted multiple studies on coastal resilience projects, some of which recommend elevating hundreds or even thousands of homes. However, despite these recommendations, only one home has reportedly been raised to date.

In an internal Corps email Major General Jason Kelly, Deputy Commanding General for Civil Works, ordered “an immediate temporary pause on the completion of feasibility studies recommending non-structural solutions.” The only exceptions are ongoing projects in New York (Fire Island to Montauk Point) and Louisiana (Southwest Coastal). According to the directive, the Corps intends to evaluate and learn from these two efforts before finalizing feasibility studies elsewhere.

No timeline has been provided for how long this pause will last. However, we understand that Corps leadership is scheduled to hold a high-level discussion on the matter this month at headquarters.

Some observers, including us, question whether the Corps is the best agency to handle large-scale home-raising projects. Federal requirements such as prevailing wage rules and lengthy contracting procedures may make the Corps less efficient and more costly compared to nonprofit organizations, which could potentially complete the same work more quickly and at a lower cost.

In the meantime, we remain hopeful that other components of coastal resilience studies which include measures beyond home elevation can continue without interruption.

FASTER AND CHEAPER VS. GETTING IT RIGHT

Two competing goals are emerging within the Corps that need to be reconciled quickly. Is more time spent during the study phase getting to a point where a good project construction cost estimate can be made, or is the goal to get feasibility studies done quicker and under a \$3 million cap?

At a congressional committee hearing last month, Lt. Gen. William Graham Jr., Chief of Engineers, explained that most project cost overruns occur because decisions about cost and design are made too early in the feasibility study process. His proposed solution is to invest more time up front, moving from the current 10% design standard to the 35% design standard before recommending a project be authorized by Congress. While this could reduce costly mistakes later, it would also slow down many studies. Current Corps internal documents show that every Corps Division must complete a review of its studies by October

31st to determine their ability to meet the 35% standard and, where possible, to show their strategy for completing each study on time.

That approach runs counter to what Assistant Secretary of the Army for Civil Works Adam Telle has been advocating—what might be summed up as: “Do it faster and cheaper so we can complete more projects.” How the Corps and ASA Telle will resolve this conflict is unclear. But for coastal projects that involve the design of new or modified beach projects cost overruns usually stem from rising dredging costs, not design flaws. In other words, not all Corps feasibility studies should be treated the same way. Adding unnecessary delays to beach studies makes no sense.

3X3X3 STILL THE RULE

When WRDA 2024 passed, it sounded like Corps studies could stretch to four years, cost up to \$5 million, while still involving all three levels of the Corps. But in a conversation with a senior Corps official, we learned the original rule hasn’t changed: studies are expected to be done in three years for \$3 million. If a District has a study that’s especially complex and needs extra time or funding, it can go beyond the limit but only with approval from Headquarters and the Assistant Secretary of the Army.

KEY OCEAN BILLS ON THE MOVE

The federal government may shut down, but at least parts of Congress are still working. The Senate Commerce, Science and Transportation Committee met recently to vote on a series of ocean and coastal management bills. The first was S. 2126, the Integrated Ocean Observation Reauthorization Act that reauthorizes the interagency network known as IOOS that performs a variety of ocean monitoring tasks. The House has already approved companion legislation, H.R. 2294. Also on the docket for the panel was S. 2245, the Digital Coast Act that reauthorizes NOAA’s Digital Coastal Program. Both of these bills had bipartisan sponsorship and had no difficulty getting full committee support.

LEGISLATIVE UPDATE

We’re tracking over [160 bills](#) that impact coastal communities throughout the nation. In addition to the bills cited in the previous story, two House bills and three Senate bills are awaiting floor consideration when the House resumes regular meetings. H.R. 501, Promoting Resilient Buildings (Sponsored by Rep. Chuck Edwards) and H.R. 744, the

Disaster Management Costs Modernization Act (Rep. Joe Neguse) are set to have a full vote of the House. The three Senate-passed bills that are awaiting House action are S. 725, Enhancing First Response (Sen. Amy Klobuchar); S. 759, Modernizing Access to our Public Oceans (Sen. Ted Cruz); and S. 93, Harmful Algal Bloom and Hypoxia Research and Control Amendments (Sen. Dan Sullivan). While there has been some discussion about moving a few appropriations bills to the Senate floor for debate, we see little possibility of that happening.

Thanks for reading WaterLog!

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