



Regional Governance Models for the Atlantic Intracoastal Waterway

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AIWA 2010 Annual Conference

Portsmouth, VA • Nov. 18-19

NSGLC-10-04-08



How is AIWW currently managed?



Army Corps of Engineers

- Historically maintained and operated by the Army Corps of Engineers
- Congress responsible for 100% of funding; no state responsibilities.
- Funding metric based on commercial tonnage
 - Declining
 - Ignores increasing recreational uses
- IWTF money coming out of the waterway, but not returning.



State appropriations

- Current funding is dependant on state-by-state appropriations requests
 - Unstable
 - Don't necessarily put the money where its needed most.
- Stimulus funds have helped, but were only a brief solution.



What is desired?



- Stable, secure funding
- Regional management and cooperation



**How are other
groups doing it?**



- There are few hard and fast rules about how these bodies must be organized. Everyone recognizes the need to get funding from a variety of sources, and so agreements are kept broad and flexible to take advantage of opportunities.
- Words like “commission,” “agency” and “authority” are all used interchangeably.
 - All describe bodies organized to manage a particular resource.
 - For our purposes, the difference between these models arise from how they’re created and funded.



Federal Entities



Interagency Commission



Interagency Commission

- Created legislatively
- Operates within an agency, funded as a line-item in the agency's budget.
- Though funding varies based on agency's budget, funding is generally stable.
- Management is regional



Mississippi River Commission

- Established in 1879 as a body within the Army Corps of Engineers to improve the river from the headwaters to the mouth.
- Leadership consists of 3 Corps officers, 1 NOAA representative, 3 civilians (2 of which must be engineers)
- Engages in dredging, flood control, real estate acquisition and other projects.



Mississippi River Commission

- Authorized under the Corps' budget for \$240 million in FY11

The FY11 funding will be distributed among the appropriation accounts as follows:

- \$2.361 billion for Operation and Maintenance
 - \$1.690 billion for Construction
 - \$240 million for Mississippi River and Tributaries
 - \$193 million for the Regulatory Program
 - \$185 million for Expenses
 - \$130 million for the Formerly Utilized Sites Remedial Action Program
 - \$104 million for Investigations
 - \$30 million for Flood Control and Coastal Emergencies
 - \$6 million for the Office of the Assistant Secretary of the Army for Civil Works
- Corps' budget consists of: \$4b from general fund, \$764m from Harbor Maintenance Trust Fund, \$82m from the Inland Waterways Trust Fund and \$41m from the Special Recreation User Fees.



Interagency Commission and the AIWW

- Would be a good fit.
- Similar mission to the MRC.
- Would satisfy both wants: stable funding and regional management.
- A lot like what is proposed in the draft Commission legislation.
- A pure system could lead some potential revenue sources untapped.
 - State/local governments?
 - Recreational users?



Federally-owned Corporation



Federally-owned Corporation

- Chartered and owned by the federal government to operate a public resource.
 - Corporation for Public Broadcasting
 - FDIC
 - Fannie Mae and Freddie Mac
- Separate legal entity from the government, creating a high level of political independence.
- Funding a mix of federal appropriations and independent sources of revenue.



St. Lawrence Seaway Development Corporation

- Maintenance and capital improvements to the St. Lawrence Seaway.
- Operated as a pure federally-owned corporation until 1987.
 - Funded entirely by tolls.
 - Unlike many other government-chartered corporations, wasn't created for political independence reasons, but because it was assumed they could fund themselves.
- Model was "crashing and burning": tolls alone were not enough.
- In 1987, SLSDC was singled out to receive 100% of funding from the Harbor Maintenance Tax.
- Agrees that this is a much more stable system.
- A "corporation" now only really in its independence in personnel decisions, investment projects, cooperation with Canadian seaway agency.



AIWW as a Federally- owned Corporation

- Not likely the best fit.
- No need for political independence.
- Could attempt to operate based solely on fees/tolls, but might simply further decline in cargo tonnage.
- Would allow for regional management and cooperation.



State-Federal Partnerships



State-Federal Partnerships

- The “other” category
- Unique agencies created and funded (for the most part) by Congress.
- Details determined by the enabling legislation and the by-laws of the created body.



Appalachian Regional Commission

- Established in 1965 by the Appalachian Regional Development Act.
- Partnership of 420 counties, the governors of NY, WV, PA, AL, GA, KY, MS, OH, NC, MD, SC and VA, and a presidential appointee representing the federal government.
- Federal representative gets a 50% vote on any decisions, rest split between other members



Appalachian Regional Commission

- Funded in large part by the Federal Government.
 - Authorized for \$87m in FY08, \$100m in FY09, \$105m in FY10, \$108m in FY11 and \$110m in FY12.
- States provide 50% of administrative costs (\$3-4m between the 13 states) and match funding (20%-50%) for projects occurring in their states.



Federal-State Partnership and the AIWW

- Could work, as long as you can get the legislation passed.
- Allows for unlimited cooperation between governments of all sizes.
- Dedicated Federal money.
- Much leeway for funding sources from state and local sources.



State Level Partnerships



Interstate Compact



Interstate Compacts

- Agreements (“contracts”) between two or more states.
- Needs Congressional approval under the Compacts Clause of the Constitution if compact “enhances the political power of the member states in relation to the Federal government.”
 - Usually not a problem
 - Can get approval before or after Compacts is signed.
 - Best way is to get a Congressional champion to help a joint resolution/bill through Congress.



Interstate Compacts

- Like state-federal partnerships, the substance of interstate compacts varies widely depending on the language of the agreement.
- Compacts can be created to serve a wide variety of purposes, from cross-boundary resources (i.e. the Columbia River Gorge Commission) to multi-state initiatives (i.e. Drivers License Compact).
- Large and small budgets, variety of funding mechanisms.



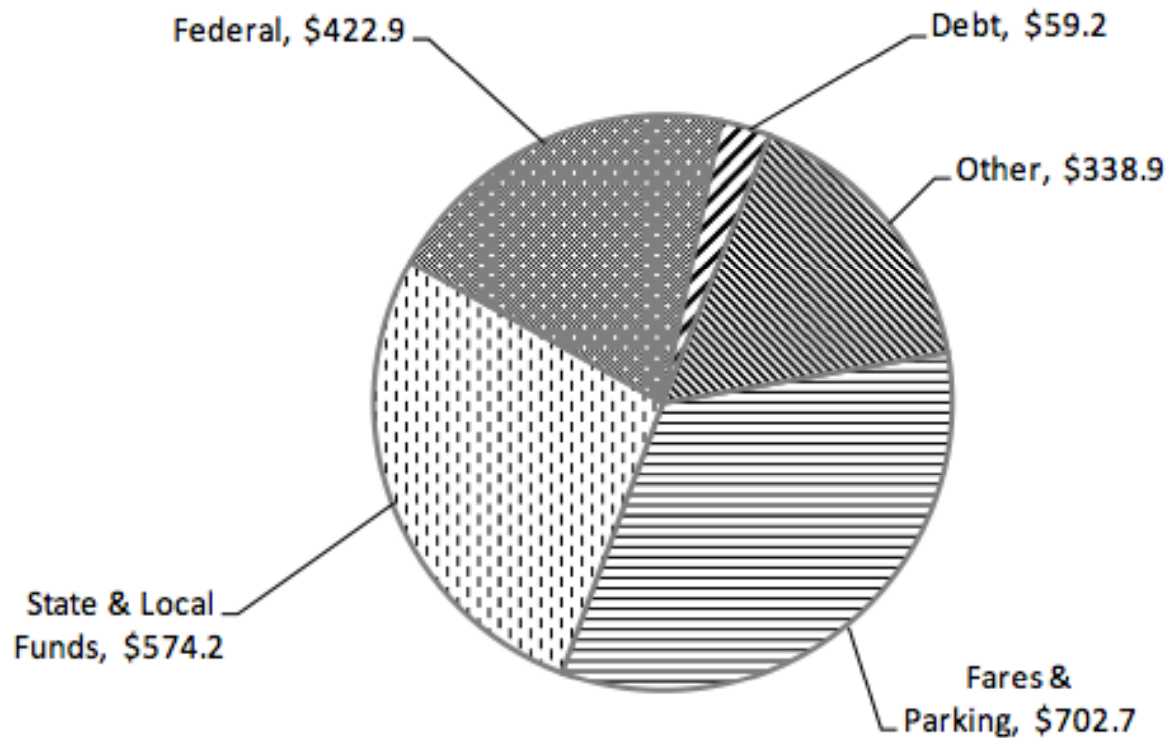
Washington Metro

- Created in 1967 by interstate compact
- Average weekday passenger trips: 1.2 million.
- Approved FY10 budget of \$2.1 billion.
- Like the AIWW, the Metro has no dedicated source of funding.



Washington Metro

**Source of Funding for Fiscal 2010 Annual Budget
(in millions)**





Washington Metro

- State and Local funding based on formula taking into account:
 - Area population
 - Average weekday ridership from area
 - Number of stations in area
- Admittedly unstable, looking for better, more secure sources of funding.



Port Authority NY/NJ

- Established in 1921 to manage the transportation infrastructure (bridges, tunnels, airports, seaports) within the ports of New York and New Jersey.
- \$6.3 billion budget for 2010.

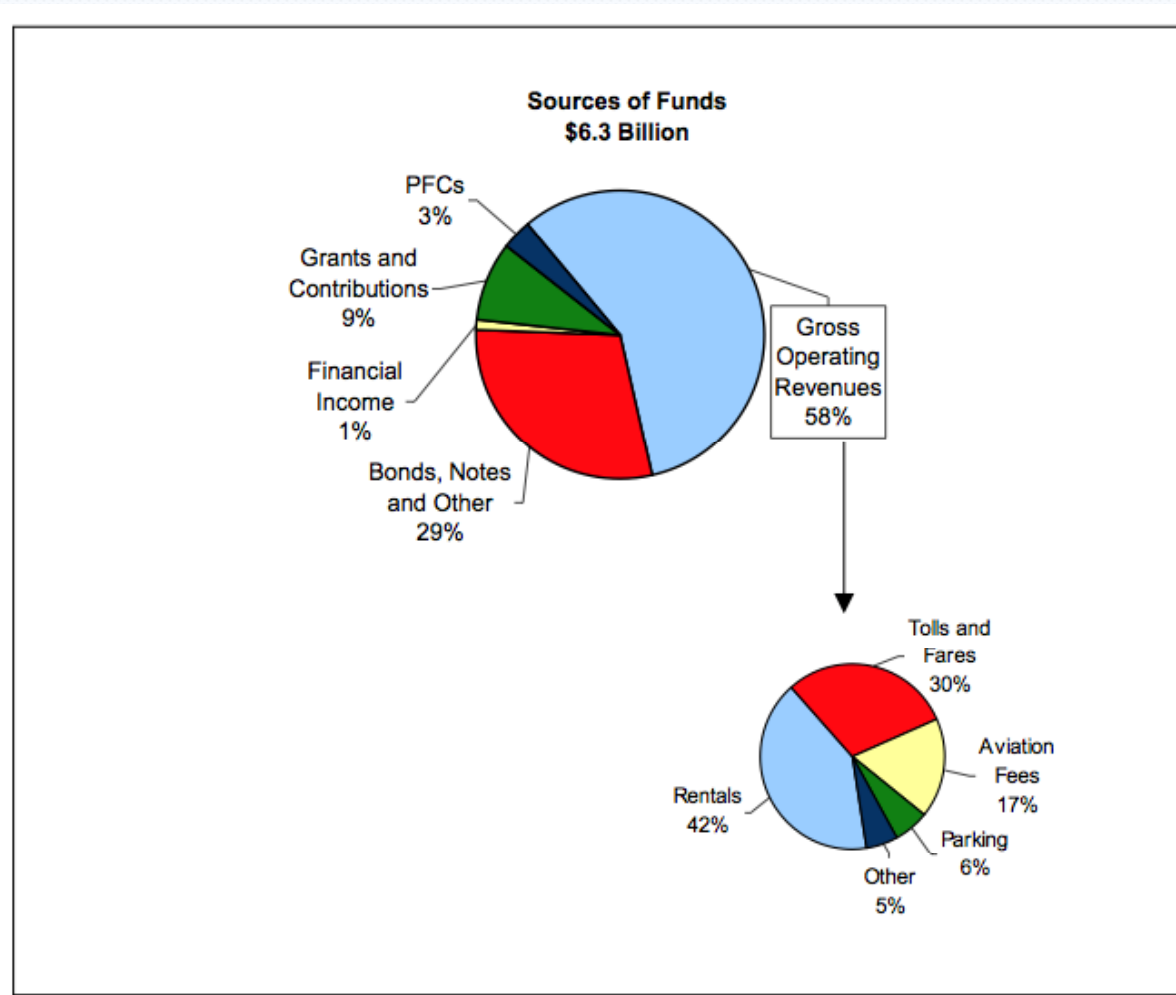


Port Authority NY/NJ

- No power to tax and does not receive tax money from any local or state governments. Instead, it operates on the revenues it makes from its rents, tolls, fees and facilities.



Port Authority NY/NJ





Interstate Compacts and AIWW

- A good solution, especially if passing Commission legislation is difficult.
- Waterway fits the bill as a cross-boundary resource.
- Allows for a lot of variety in funding sources.
- Regional management.
- Can be set up to accept matching funds, grants, private funds, etc.



Atlantic Waterway Commission



Atlantic Intracoastal Waterway Commission

- Most closely resembles the Mississippi River Commission in construction and funding, but has other elements.
- 10 commissioners (2 Corps, 1 USFWS, 1 representative of inland waterway business community, 1 representative of recreational boating, 1 each from 5 representative states). Chairman is the Commanding General of the Corps' South Atlantic Division.
- Funding not less than \$20m per year from:
 - Corps' Operations and Maintenance Account
 - Fuel tax to this point given to the IWTF
 - 10% of recreational fuel tax dedicated from 5 states to the Sport Fish Restoration Fund.



Atlantic Intracoastal Waterway Commission

- “Memoranda of Understanding” similar to interstate compact agreements or “matching funds” requirements of the Appalachian Regional Commission.
- Draft Commission legislation seeks funding from a variety of sources.
 - Seeking payments from boat registrations a good source of dedicated funds.
 - Experts say that the best sources of funding are indirect, rather than new sources of funding tied directly to the project.



Atlantic Intracoastal Waterway Commission

- Funding from local governments?
 - Pay based on benefits, with the DC Metro
 - Florida study shows waterway responsible for \$14.7b in business sales, \$4.4b in private income and 113,849 jobs.
- Ability to accept private money? Can be written into the enabling legislation:
 - Yes, if written into the enabling legislation.
 - “In order to carry out the purposes set forth in subsection (a) of this section, the Corporation is authorized to — obtain grants from and make contracts with individuals and with private, State, and Federal agencies, organizations, and institutions;”
 - -47 U.S.C. s 369 (Corporation for Public Broadcasting)