

SHORELINES – January 2006
As presented to the *Island Review Magazine*.

Post-Mortem Analysis: Federal Appropriations for Beaches & Waterways for FY 2006

On November 7th, House and Senate conferees for the FY 2006 Energy & Water (E&W) Development Appropriations Bill reconciled budgetary and legislative directive differences and reported a conference bill that has since passed the full House and Senate on November 9th and 14th, respectively, and was signed into law with the President's signature on November 21st.

The earmarks placed in the E&W Development Appropriation Bill funds the U.S. Army Corps of Engineers-Civil Works (Corps), the Department of Interior including the Bureau of Reclamation, the Department of Energy, and several Independent Agencies. The total dollar figure for the bill is \$30.5 billion; \$5.4 billion of which is allocated for the Corps to perform navigation, water supply, flood damage control (beach nourishment & shore protection), and host of other functions for the Nation.

From a more "macro" perspective, the E&W Development Appropriation Bill is one of the 12 appropriation bills that are passed each year constituting the discretionary portion of the Federal budget. The discretionary portion of the budget is estimated to account for 30% of the entire budget that also encompasses mandatory expenditures such as Medicare and interest payments. The entire Federal budget is close to \$2.7 trillion. In theory all appropriation bills should be completed by the start of the fiscal year (October 1st), but for the past several years various appropriation bills have been passed deeper into the fiscal year.

As mentioned above, the E&W Development Appropriation Bill contained \$5.4 billion for the Corps. However, the subset of figures constituting the total for beach nourishment/storm protection and waterway maintenance appropriations is very consistent to those in previous years. A brief summary of the appropriations relative to Carteret County is provided below.

Bogue Banks Shore Protection Project Feasibility Study (\$75,000) – These funds will be utilized to complete a study that was initiated in 2001 and totals ~\$3.2 million total (Federal and non-Federal) that will result in a 50-year beach nourishment program for Bogue Banks. There is a non-Federal match associated with this appropriation.

Morehead City Harbor Section 933 Beneficial Use of Dredged Materials Project (\$3,000,000) – These funds can be utilized by the Corps in a Federal/non-Federal cost sharing program to cover the incremental costs of placing sand dredged from the ocean bar of the Morehead City Harbor along the shoreline of Pine Knoll Shores in winter 2006 (~800,000 cubic yards or 53,333 dump truck loads of sand). Construction of this project is contingent upon the execution of legal instruments and securing favorable dredging bids.

Morehead City Harbor Navigation Project Ocean Bar (\$3,218,000) – These funds constitute the least cost disposal option for dredged material at the Harbor, which includes hopper dredge excavation and offshore dump. Again, the incremental cost to place dredged, shoal material along the beach is essentially the Section 933 Project. There is no non-Federal match associated with this appropriation.

Atlantic Intracoastal Waterway in N.C. (\$1,389,000) – This appropriation is well below the need for the entire waterway (~\$11 million) and these funds will likely be used to fund a particular reach within the waterway complex.

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Bogue Inlet, Barden Inlet, and Pamlico Sound to Beaufort Harbor (includes Atlantic Harbor and Wainwright Slough) (\$0)

In reviewing these figures, it is also important to keep in mind that the President has proposed a \$1.6 billion supplemental hurricane relief package related to *Katrina*, *Ophelia*, and *Rita*. The package, if passed by Congress, will provide the Corps a lump sum allocation, which is different from the E&W Development Appropriation Bill where there are project specific earmarks. The Corps however has developed a list of projects and costs for the hurricane relief package to help the Administration generate an overall dollar figure for the bill, which does include several Carteret County projects – Bogue Banks Shore Protection Project Feasibility Study, Bogue Inlet, Pamlico Sound to Beaufort Harbor, and for Back Sound to Barden Inlet. However, Congress has yet to approve the supplemental bill and could pass the bill at a lower funding level, which could ultimately mean that individual projects in the Corps “wish list” are dropped entirely. Actually the Administration's request is perhaps as much as \$300 million less than the projects on the list would require. Also as mentioned above, the Corps will have the final say to what projects are executed with the funding they receive. Although Congress' schedule for the remainder of the year is tentative, the body could debate and pass the hurricane relief package before Christmas (after the press date for this edition of *Shorelines*).

And finally a word of thanks. Besides the efforts of the County's Beach Commission and support from the County, additional appreciation should be extended to our lobbyist, Marlowe & Co. and very importantly our Congressional Delegation for securing these important appropriations in the E&W Development Appropriation Bill. The staff with Congressman Jones, and Senators Dole and Burr also deserves our thanks for keeping a sharp eye on this bill and interfacing with us the entire year. The last part of the funding puzzle are residents and constituents who were passionately engaged in this very difficult appropriation cycle and have been willing to make phone calls, write letters, and galvanize support. Thank you once again and Happy Holidays.