

Congress of the United States
Washington, DC 20510

May 19, 2017

The Honorable Mick Mulvaney
Director
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Director Mulvaney:

We write to you in regards to the current process for calculating the Benefit-Cost Ratio (BCR) for United States Army Corps of Engineers Navigation and Flood Risk Management projects. We believe the current process mischaracterizes the true cost to the federal government by failing to account for modern Project Partnership Agreements (PPAs) and public-private partnerships (P3s).

In an effort to avoid some of the uncertainty of the federal appropriations process, some non-federal sponsors elect to pursue advanced PPAs or in some cases, a P3, to move the projects forward. This allows local communities and their non-federal sponsors to begin spending non-federal money for the project immediately, while assuming all risk associated with beginning the project prior to receiving federal new start funding. This commitment highlights the immense value that local and state governments see in the economic impact their project will have upon completion, despite the chance of not being reimbursed.

However, perhaps most important and most concerning, the current BCR calculation methodology incorrectly assumes all dollars spent on a project are federal dollars when determining the project's economic impact, despite the fact that in many instances a substantial portion of the money spent comes from a non-federal source that cannot be reimbursed or through private investment. Importantly, advanced PPAs and P3s provide significant value to the federal government and to the nation. By advancing project funds or through private investment, non-federal sponsors are ensuring projects are completed in as expeditious a manner as possible and are not subject to delays caused by the federal budget process. Completing a project quickly ensures the lowest cost possible for the federal government and delivers the economic benefits of these critical infrastructure projects years before they might otherwise be enjoyed.

We share your passion for stewardship of taxpayer dollars and a more efficient federal budget process. We also believe in a level playing field when it comes to competing for federal investment. In light of this, we respectfully request you evaluate the method for calculating BCRs and give equitable consideration to projects with an advanced PPA or P3 during consideration of the fiscal year 2018 budget request.

Please do not hesitate to contact us with any questions. We look forward to working with you to ensure the success of federal projects in our states.

Sincerely,



Lindsey O. Graham
United States Senator



Heidi Heitkamp
United States Senator



John Hoeven
United States Senator



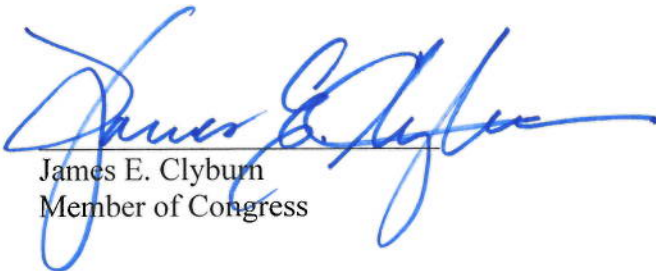
Marco Rubio
United States Senator



Tim Scott
United States Senator



Joe Wilson
Member of Congress



James E. Clyburn
Member of Congress



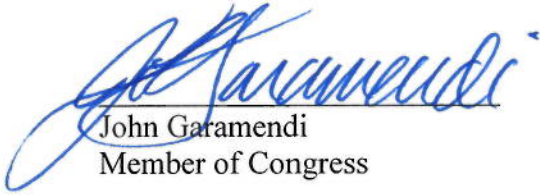
Kevin Cramer
Member of Congress



John K. Delaney
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Jeff Duncan
Member of Congress



John Garamendi
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Trey Gowdy
Member of Congress



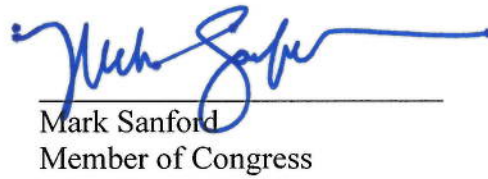
Al Lawson
Member of Congress



Tom Rice
Member of Congress



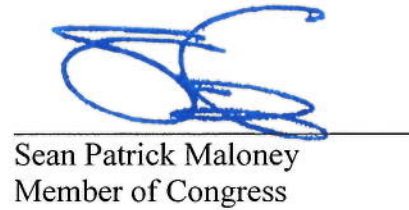
John Rutherford
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Mark Sanford
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Daniel Webster
Member of Congress



Sean Patrick Maloney
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Rodney Davis
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