

# ***USACE Perspective Opportunities and Challenges in Advancing Louisiana Coastal Restoration Using Work-in Kind and Cross-Crediting Legislation***

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**US Army Corps of Engineers  
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# ***Title VII Section 7007 of WRDA 2007***

- Congress contingently authorized nearly \$2B in large-scale ecosystem restoration projects
  - Direct reaction to the well-documented coastal degradation of the Mississippi River Delta
  - Highlighted by Hurricane Katrina in 2005
- Attempted to provide a unique ability to advance work ahead of the federal government
  - Credit
  - Transfer of credit



# Section 1019 of WRRDA 2014

- This amendment rectifies a limitation contained in the original Section 7007 of WRDA 2007
- Section 1019 is unique to LCA, however
  - Section 1018 and 1020 are intended to work just like the LCA favorable authority
- Implemented IAW Section 221 of Flood Control Act 1070, as amended.
  - MOA prior to execution
  - Integral Work Determination



# LCA WIK/Cross Crediting

## Implementation Definitions

- “WIK Credit” - Credit afforded the NFS at the completion of a separable element upon request with supporting documentation.
  - Includes MOA agreement
- “Excess Credit” – Credit determined at the completion of an executed Design or Construction agreement where the NFS has provided more than their required obligation.



# LCA WIK/Cross Crediting

## Implementation Definitions

- “Transfer of Excess Credit” – Section 1019 affords the NFS the ability to transfer excess credit among any project in Title VII.
  - Transfer – can only happen at the completion of a project
  
- “Acceptable forms of payment”
  - Cash
  - Work-in-Kind
  - Excess credit



# *LCA WIK/Cross Crediting*

## Implementation Definitions

- MOA does not guarantee credit, it only preserves the ability to seek credit
- Potential WIK credit will accrue on any project/study once initiated IAW PMP and/or Integral Determination.
- Until the project/study is completed, WIK credit cannot be determined and therefore cannot be transferred.



**Projects Eligible for WIK Cross Crediting**

• Federal request will be for 100% of project cost.

Independent State Led Efforts

State Submit LOI to seek credit/prioritize

Execute MOU for Authorized Project

Initiate Fed. Budget Request

Approval of IWD for Design

Execute DA/PPA for separable elements

State Initiates/Completes Design and/or Construction

Approval of IWD for construction

Project/separable element Complete?

Project Closeout

Excess WIK Logged in CEFMS

USACE Led Efforts

State Submit LOI to use credit

Initiate Fed. Budget Request per State request to use excess credit

Receive Federal Funds

Avail. Excess Credit Sufficient to Match Avail. Fed Funds

State Provides Required Cost Share

Execute Agreement DA or PPA

USACE Initiates/Completes Design/Construction

Project Closeout

Funds Sufficient to Complete Design/Construction

No

Yes

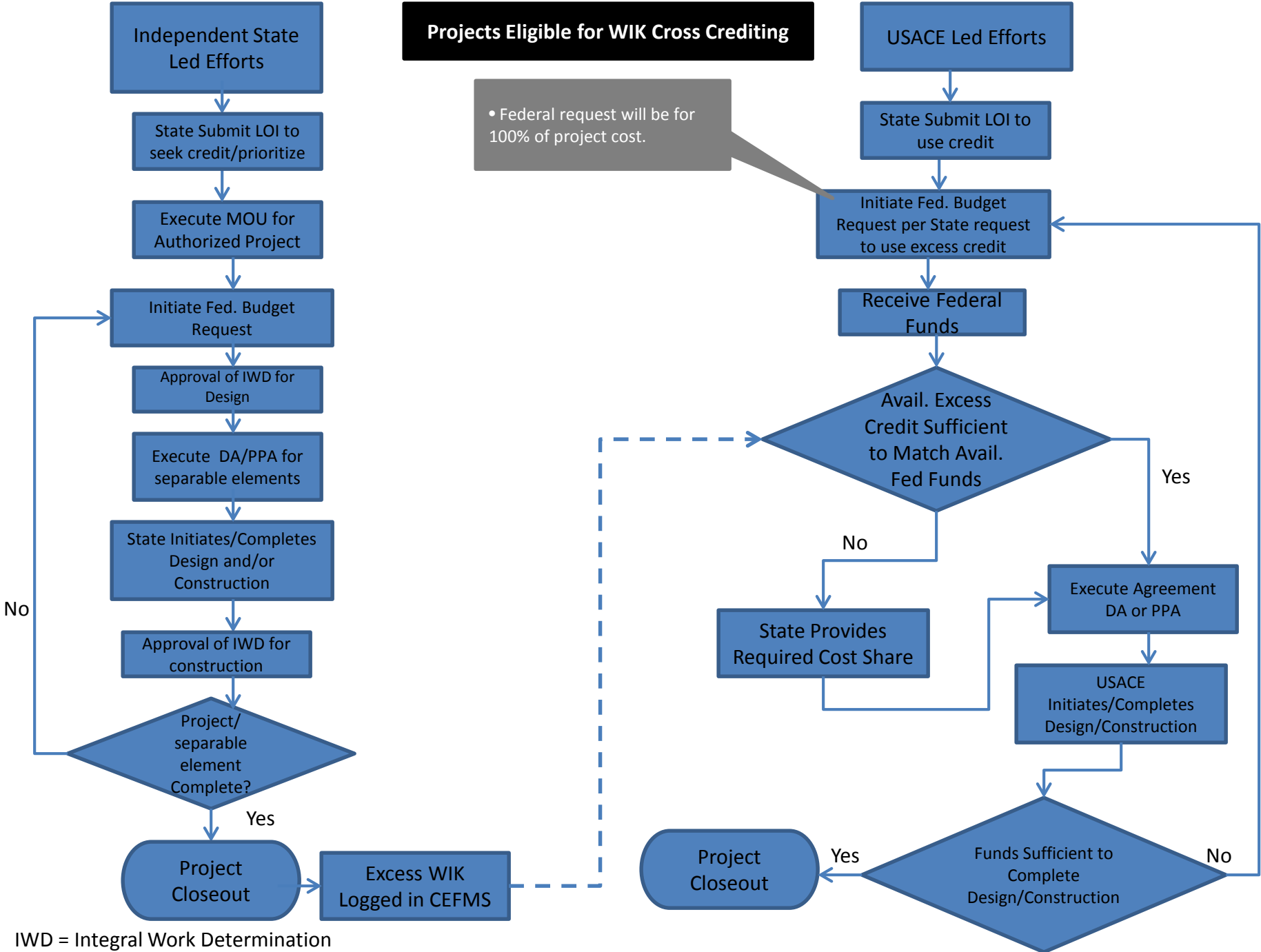
No

Yes

Yes

No

IWD = Integral Work Determination



# LCA WIK/Cross Crediting

## Example

- BBBS - \$499,000,000
  - ▶ Fed 65% - \$324,350,000
  - ▶ Non-Fed 35% - \$174,650,000
- Convent/Blind River - 144,000,000
  - ▶ Fed 65% - \$93,600,000
  - ▶ Non-Fed 35% - \$50,400,000

### ➤ State wants to transfer credit from BBBS to Convent/Blind River

- 1) Federal interest is determined through Chief of Engineers Report or equivalent.
- 2) Project is fully authorized for Construction
- 3) Project is added/listed on list of projects to potentially receive WIK credit
- 4) PPA/DA Agreement is executed for BBBS and Convent/Blind River authorized projects
- 5) Federal allocation will be assigned to Convent/Blind River project.
- 6) Upon Federal allocation for Convent/Blind River, NFS can use “Excess Credit” to cover NFS obligation.





# ***LCA WIK/Cross Crediting Challenges***

- Must follow all federal laws/policy/regulations
  - Real Estate
  - Operation & Maintenance
  
- Federal appropriations will continue to be a challenge
  - Ideally, perform IWD prior to the State initiating construction
  
- Project Partnership Agreements must be executed

