



Principles, Requirements, and Guidelines (PR&G) for Federal Investments in Water Resources

Congress and the Administration guide how federal agencies develop and participate in water resource investments. Most often congressional direction is focused on individual agencies or projects. One exception was the Water Resources Planning Act of 1965 (P.L. 89-80), which attempted to promote coordinated planning of water and related land resources. The act created a Water Resources Council (WRC) and charged it with, among other things, establishing principles, standards, and procedures for evaluations of federal water resource projects (42 U.S.C. 1962a-2). Since they replaced earlier guidance in 1983, the WRC’s Principles and Guidelines (P&G) have provided the framework for developing federal water resource studies.

The Water Resources Development Act (WRDA) of 2007 (P.L. 110-114) directed the Secretary of the Army to update the 1983 P&G for Army Corps of Engineers (Corps) use; it required that the update address advancements in economic and analytic techniques; public safety; low-income communities; nonstructural solutions; and integrated, adaptive, and watershed approaches. **Table 1** summarizes the update process since WRDA 2007, which has spanned the Bush and Obama Administrations. Eight cabinet secretaries were convened as the Water Resources Council (which has been without appropriations since 1983) for the purpose of approving the updated documents. New Principles, Requirements, and Guidelines (PR&G) that broadly apply to federal water resource investments are expected to replace the P&G on June 15, 2015, except for the Corps per a prohibition in the statement accompanying FY2015 appropriations (P.L. 113-235). Congress advised on limiting PR&G-related changes for the U.S. Department of Agriculture (USDA) in H.Rept. 113-333 accompanying the 2014 Agricultural Act (P.L. 113-79).

At issue is whether the PR&G reflect how Congress wants agencies to develop and evaluate federal water resource investments. The explanatory statement accompanying P.L. 113-235 expressed concerns that the update “is not proceeding consistent with the language or intent” of WRDA 2007. **Table 2** compares aspects of the 2013/2014 PR&G and the 1983 P&G. The most significant differences are that the PR&G

- applies to a wider range of federal agencies and actions; and
- provides more flexibility to agencies to develop and to decisionmakers to select alternatives with trade-offs among economic, environmental, and social goals.

Like the P&G, the PR&G are not regulations and do not supersede requirements established in law.

Table 1. Milestones in PR&G Development

Date	Milestone
09/12/2008	Federal Register (FR) notice of Corps release of draft Principles for studies; public comment was open until 10/15/2008
07/01/2009	FR notice that the Administration was considering government-wide planning standards for studies with suggestions open until 07/17/2009
12/09/2009	FR notice of the draft Principles and Standards for studies; public comment was open until 04/05/2010
12/02/2010	National Academy of Sciences released its review of the 2009 draft Principles and Standards
03/27/2013	FR publication of the reframed and final Principles and Requirements for federal investments and draft Interagency Guidelines, which were open for comment until 6/27/2013
12/17/2014	Administration released final Interagency Guidelines and responses to comments on the draft guidelines
12/24/2014	FR publication of final Interagency Guidelines (FR Doc. No. 2014-30170)

Source: CRS.

Public comments throughout the update process were varied. Traditional beneficiaries of federal water resources investment often were critical, whereas environmental groups and supporters of broader social considerations generally were in favor of the update’s approach. Themes in these favorable comments included support for the combined economic and environmental federal objective; more holistic and flexible federal agency responses; consideration of nonmonetary costs and benefits; and greater attention to local priorities and nonstructural or green alternatives. Common themes in critical comments were overreach in the inclusion of additional federal entities (e.g., FEMA, Commerce) and activities (e.g., programs, plans, operations); concerns associated with the clarity of the federal investment selection criteria; impact of the broadened selection discretion on decisionmaking and project timelines; and dilution of federal fiscal resources through selection of alternatives that are less focused on economic development and infrastructure investment.

Implementation

Agencies subject to the PR&G (see **Table 2**) are responsible for developing agency-specific procedures for implementation and documenting whether existing

processes are “equivalent pathways” as the PR&G. Agencies are to consult with the Office of Management and Budget and the Council on Environmental Quality regarding their procedures and alternative pathways. The PR&G update is occurring in the context of other updates and debates that also may affect federal water resource activities. These include Administration guidance on

greenhouse gas emissions and climate change effects in National Environmental Policy Act reviews (see FR Doc. No. 2015-03606) and implementation of the federal flood risk management standard (see CRS Report IF10150, *E.O. 13690 and Federal Flood Risk Management Standard*).

Table 2. Comparison of Select Aspects of 1983 P&G and 2013/2014 PR&G

	1983 P&G	2013/2014 PR&G
Affected Federal Entities	Army Corps of Engineers; Tennessee Valley Authority (TVA); Dept. of the Interior’s (DOI’s) Bureau of Reclamation; USDA’s Natural Resources Conservation Service	Corps; TVA; DOI; USDA; Dept. of Commerce; Environmental Protection Agency; Federal Emergency Management Agency (Congress has provided direction on application of the PR&G to Corps and select USDA activities.)
Scope of Application	Studies: Planning and evaluation of alternative plans by four federal agencies in the formulation and evaluation of water and related land resources implementation studies. (Regulatory actions, research and monitoring, and emergency actions were by default outside the P&G given its focus on studies.)	Investments: Water resource investments, including projects, plans, and programs that the federal government undertakes whose purposes either directly or indirectly alter water quantity, quality, ecosystems, or related land management. (Regulatory, research, monitoring, and emergency actions are outside the scope of the PR&G.)
Activity Types and Suggested Threshold Criteria for Analysis	Studies: Implementation studies that are pre- or post-authorization project formulation or evaluation studies undertaken or assisted by four specified federal agencies. P&G generally are applicable to eligible implementation studies, with no explicit cutoffs or exclusions provided. (There is no option for scaled analysis.)	Projects: New, existing facility modifications or replacement, or changed operations. <\$10 million (M) are excluded; between \$10M and \$20M have scaled analyses; >\$20M have full analyses Plans: Studies or plans for potential new actions, management plans for federal lands, and operational plans for existing federal water resource infrastructure <\$10M are excluded; between \$10M and \$50M have scaled analyses; >\$50M have full analyses Programs: Grant or funding programs. Grant programs typically would use tiered programmatic analyses. Funding programs (e.g., state revolving funds) would use retrospective analyses. Grouped analyses may be used for similar actions that individually do not have consequential effects. <\$50M are excluded; between \$50M and \$100M have scaled analyses; >\$100M have full analyses
Federal Objective	The objective is to contribute to national economic development (NED) consistent with protecting the nation’s environment. Contributions to NED are increases in the net value of the national output of goods and services, expressed in monetary units. Contributions to NED include net value of goods and services that are marketed and also those that are not marketed. (Environmental, regional, and social effects that may inform trade-offs and alternative plans are documented in accounts other than the NED account.)	Federal investment should strive to maximize public benefits, with appropriate cost considerations. Public benefits encompass environmental, economic, and social goals and include monetary and nonmonetary effects and quantified and unquantified measures. No hierarchy exists among these three goals and, as a result, trade-offs among alternatives are assessed.
Decision Criteria	Plan with greatest net economic benefit consistent with protecting the environment (the NED plan) is selected unless the secretary of a department or head of an independent agency grants an exception. Plan selection is made by the agency decisionmaker for federal and federally assisted plans.	Agencies should strive to maximize the public benefits relative to public costs, using applicable selection criteria. Section criteria are to be identified in the agency-specific procedures, reflect agency-specific legal requirements in statutes or regulations, and conform with PR&G. The PR&G do not specify who the decisionmaker is for selecting the preferred federal investment alternative.

Source: CRS.

Nicole T. Carter, ncarter@crs.loc.gov, 7-0854
Betsy A. Cody, bcody@crs.loc.gov, 7-7229

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