

WebMemo



Published by The Heritage Foundation

No. 1458
May 15, 2007

The Water Resources Development Act of 2007: A Pork Fest for Wealthy Beach-Front Property Owners

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On April 19, 2007, the House passed the pork-laden Water Resources Development Act of 2007 (H.R. 1495) and sent it to the Senate, where it has acquired additional earmarks. Some of these earmarks would require the Army Corps of Engineers to finance a series of costly projects that benefit the rich and influential who can afford a lobbyist with access to Members of Congress and committee staff.

Notwithstanding continuing concern over the flood protection afforded storm-vulnerable cities like New Orleans, Galveston, Miami, and Biloxi, as well as the need to rebuild and strengthen existing but inadequate flood protection systems, this Congress appears intent on diverting taxpayer dollars from core responsibilities to water-sports and other low-priority schemes. Indicative of this bill's misplaced spending priorities is the authorization of more money for one of Representative Don Young's (R-AK) infamous Bridges to Nowhere (Section 4005).

To its credit, the Bush Administration's recent Statement of Administration Policy (SAP) warns of the wasteful spending included in the bill and the inclusion of many projects outside the three main missions of the Corps. The SAP states that "the Administration strongly opposes H.R. 1495 in its current form."¹ Specifically, the Administration expressed concern about spending proposals targeted to wastewater and drinking water infrastructure projects—heretofore a state and local responsibility—and "a costly commitment to periodic nourishment of sand beaches." The Corps' beach replenishment program reflects a trickle-up

economic policy designed to transfer the tax dollars of ordinary Americans to protect the vacation homes and seasonal businesses of the well-to-do.²

As has been the case in most years, the Corps budget is fully earmarked, and many of the included projects focus on its core missions of inland navigation and flood control and protection. While many of these projects have been subject to a rigorous cost-benefit analysis to ensure that the estimated value of their benefits exceeds their costs, other projects in the bill instead reflect the influence of privileged constituencies and their lobbyists working on retainer. Among the many questionable earmarks included in the bill are:

- Funding for a study on the impact on navigation of the proposed Knik Arm Bridge (renamed "Don Young's Way" in SAFTEA-LU) at Cook Inlet in Alaska (Section 4005);
- Riverfront development to enhance recreation in Perth Amboy, New Jersey (Section 4048);
- Ecosystem restoration of the Walla Walla River Basin in Washington (Section 4063);
- Water supply projects in Wilke County and Yadkinville, North Carolina, and Abilene, Texas (Sections 4058, 4059 and 4077);

This paper, in its entirety, can be found at:
www.heritage.org/research/budget/wm1458.cfm

Produced by the Thomas A. Roe Institute
for Economic Policy Studies

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002-4999
(202) 546-4400 • heritage.org

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- Authorization of \$5,300,000 for the construction of Lake Lanier Olympic Center in Georgia (Section 5061); and
- Authorization of \$65,000,000 for a Lido Key Beach, Florida, replenishment project (Section 3036).

Several other beach replenishment projects have been added to Section 1001 of H.R. 1495, including:

- \$21,000,000 for Imperial Beach, California, beach replenishment;
- \$101,000,000 for beach replenishment at Ocean City, Sea Isle City, and contiguous New Jersey seashore resorts;
- \$59,000,000 for central New Jersey seashore beach replenishment;
- \$122,000,000 for beach replenishment in northern New Jersey; and
- \$10,600,000 for beach replenishment on Pawley's Island, South Carolina.

Behind the diversion of taxpayer money from essential flood safety programs to geographically and seasonally limited recreation activities like the Corps' beach replenishment program is a trade association—the American Shore & Beach Preservation Association (ASBPA)—that represents seaside resorts. Also involved are lobbying firms that specialize in obtaining resort-oriented earmarks, among which is Marlowe & Co., a firm that also represents the ASBPA and serves as a contact on the Association's press release.

As noted in an earlier Heritage report,³ Marlowe & Co. (headquartered at 1776 K Street, NW, in Washington, D.C.) is one of the leading beach earmark acquisition firms. Lobbying reports filed with the Secretary of the Senate included many contracts between Marlowe and dozens of beach resort communities seeking money from the Corps for “beach

nourishment” projects, among them Pawley's Island, South Carolina, and Imperial Beach, California, both of which would receive earmarks from H.R. 1495. Each town paid Marlowe & Co. \$20,000 for services rendered during the first half of 2006.⁴ Should Congress go forward and give Pawley's Island the \$10.6 million Marlowe has requested for it, the town will have received a remarkable return on its retainer: \$10.60 of taxpayer money for every two pennies it paid Marlowe.

Other reports filed with the Senate indicate that Marlowe & Co. also represents (among its many other clients) Virginia Beach, Virginia; St. Augustine Point, Florida; Cape May Point, New Jersey; and Myrtle Beach, South Carolina. It further reports that the ASBPA paid almost \$10,000 for similar services, including advocacy before the Office and Management and Budget “to ensure that shore protection is not a low budget priority.”

In a 2004 interview with *The Hill*, firm owner Howard Marlowe bragged: “We know beaches!” The article went on to note that the company earned more than \$700,000 in 2003 and estimates that it has won more than \$100 million in beach projects since it has been in the business.⁵

Even more revealing was information that Marlowe & Co. had posted on its Web site until 2005, which promoted its services by providing prospective clients with its success stories. For its beach nourishment practice, the firm once provided 14 pages listing the 170 beach earmarks it had secured for its clients between 1998 and 2005. Although its Web site no longer provides any details on the congressional favors it receives—visitors to the site are urged to contact the firm directly for details about its successes—the 2005 list is still available at the original URL.⁶

1. Senator Barbara Boxer, “Statement of Administration Policy, H.R. 1495—Water Resources Development Act of 2007,” May 11, 2007.
2. For a more detailed analysis of misplaced Corps priorities, see Ronald D. Utt, Ph.D., “The Army Corps of Engineers: Reallocating Its Spending to Offset Replacement Costs in New Orleans,” Heritage Foundation *Background* No. 1892, November 4, 2005.
3. *Ibid.*
4. All lobbying reports are available at <http://sopr.senate.gov>.
5. Jim Snyder, “Marlowe & Co.: ‘We Know Beaches’ Howard Marlowe Is K Street’s Man on the Waterfront,” *The Hill*, July 6, 2004, at www.hillnews.com/business/070604_profile.aspx (October 24, 2005).
6. The original list for these earmarks—“Summary of the Federal Coastal Accomplishments of Marlowe & Company,” revised June 2005—can still be found at [www.marloweco.com/files/MCo_coastal_accomplishments_\(2\).pdf](http://www.marloweco.com/files/MCo_coastal_accomplishments_(2).pdf) (May 13, 2007).

Assuming that Marlowe was describing his company's success accurately, one has to wonder exactly how his firm was allowed to participate so intimately in the congressional budgeting, authorizing, and appropriations processes. Indeed, as these and other earmarks suggest, and as the lobbyists' own promotional materials imply, Congress and the congressional committees responsible for water resources and the Army Corps of Engineers have effectively privatized some portion of the congressional budget process to the K Street lobbying firms and appear to have allowed them wide latitude in selecting what projects are included in the legislation.

Once a bill is passed and signed into law, the money for the project is guaranteed, and the Members of Congress who endorsed the project respond by issuing press releases bragging about the money they have brought back to the district, while the lobbyists involved brag to current and prospective clients about the money that they have obtained for their paying clients.

Although the beach resort people represent only one of many factions attempting to divert Army Corps of Engineers money to their personal benefit, they do offer a useful case study of how the growing influence of today's lobbying and advocacy profession can lead to policies that undermine the safety and security of the American people. Much of the responsible policy focus has been on how best to use the federal resources available to secure from danger many of the nation's key metropolitan areas and crowded commercial centers, but the ASBPA uses what political clout it has to divert those resources to recreation and the protection of seasonal vacation homes and businesses.

When President Bush presented his FY 2008 budget with its focus on core safety responsibilities, the President of the American Shore & Beach Pres-

ervation Association—Harry Simmons, Mayor of Caswell Beach, North Carolina—responded in language reminiscent of “surfer-speak”: “This budget request for 2008 is nothing short of a wipe-out for our nation's coastal communities.”⁷ Marlowe's Web site provides a table comparing the President's beach spending plans with what an unidentified source suggests might be needed. Whereas the President proposes \$54 million in beach work, the unidentified source claims that \$280 million is needed, some of which need-based funding would be directed to Marlowe clients as per lobbying reports filed with the United States Senate.⁸

In defense of its urgent demands for more spending, Mr. Simmons provided a helpful ecology lesson to the readers of his press release:

This budget is bad for beaches. Replenishing beaches by adding sand to the system protects coastal habitat by replacing the sand that marine life needs to live. Without sand on a beach, sea turtles, birds, plants and other forms of marine wildlife won't have an ecological infrastructure in place.⁹

There you have it: No earmarks, No sand! While we do not know for certain the President's views on “turtles, birds, plants and other forms of marine life,” we do know that his budget priorities focus on a life form missing from Mr. Simmons's complaint: people. And we know from sad experience that incompetence in Washington's oversight of, and resource allocation for, the Army Corps of Engineers contributed to the disaster in New Orleans when hurricane Katrina passed by on August 29, 2005.

How much of that disaster was due to the diversion of resources that Mr. Simmons and others continue to urge is something worthy of a more detailed examination to ensure that another New Orleans-type disaster never happens again.¹⁰ Until then,

7. American Shore & Beach Preservation Association, “Opportunities to Protect Coastal Communities Eroding in the Administration's FY 2008 Budget Request,” February 5, 2006.

8. Table, “FY '08 Beach Projects and Studies,” at www.marloweco.com/files/Beach_Funding_Table_08_NEW.pdf.

9. American Shore & Beach Preservation Association, “Opportunities to Protect Coastal Communities Eroding in the Administration's FY 2008 Budget Request.”

10. For an excellent review of congressional diversions of resources away from levees, see Michael Grunwald, “Money Flowed to Questionable Projects: State Still Leads in Army Corps Spending, But Millions Had Nothing to Do With Floods,” *The Washington Post*, September 8, 2005, p. A1, at <http://www.washingtonpost.com/wp-dyn/content/article/2005/09/07/AR2005090702462.html> (October 24, 2005).

these low-priority projects should be stripped from H.R. 1495. If they are not, the President should give serious consideration to vetoing any bill that includes them.

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