



Highlights of [GAO-07-478](#), a report to the Chairman, Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

When a nonfederal public entity such as a city or county wants to build a public works project that could degrade or damage federally regulated waters and wetlands, it must obtain a permit from the U.S. Army Corps of Engineers (Corps) before proceeding. To help expedite the permit process for these entities, the Congress enacted section 214 of the Water Resources and Development Act of 2000, providing the Corps with temporary authority to receive funds from such entities and use the funds to process permits. To ensure the impartiality and transparency of section 214 permit decisions, the Corps requires its districts to adhere to all existing permit review processes, as well as some additional requirements.

GAO was asked to identify (1) how many districts have used the section 214 authority, (2) the amount of funds they have received, (3) how permit processing times have changed, (4) the extent to which districts have adhered to the existing review processes and the additional requirements.

What GAO Recommends

GAO recommends that the Corps improve its guidance and oversight of districts' use of the section 214 authority. The agency generally concurred with our recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-478.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Anu K. Mittal at (202) 512-3841 or mittala@gao.gov.

WATERS AND WETLANDS

Corps of Engineers Needs to Ensure That Permit Decisions Made Using Funds from Nonfederal Public Entities Are Transparent and Impartial

What GAO Found

As of August 2006, 4 of the Corps' 38 districts had agreements with 11 nonfederal public entities to receive section 214 funds, which have been used to evaluate permit applications. These districts received, evaluated, and approved 187 applications using section 214 funds. The types of projects for which permits were requested included ecological restoration, water storage, transportation, and port construction. Most of the section 214 applicants were city or county departments, port authorities, or regional water authorities, but two applicants were private companies that were allowed to submit applications under section 214 agreements with the Corps. The legislation does not expressly prohibit private companies from submitting applications under section 214 agreements. The use of the section 214 authority may become more prevalent in the future because 7 additional districts are in the process of entering into such agreements, and 19 other districts told GAO that they would consider using the authority if the Congress makes it permanent.

The Corps received more than \$2 million in section 214 funds from nonfederal public entities between December 2001 and September 2006 and used these funds primarily to hire additional project managers to process permits. About 61 percent of the funds were used to cover personnel costs for the project managers who processed section 214 permits; the remainder covered overhead and other costs incurred to implement the authority.

Since the Corps began using the section 214 authority, permit processing times have increased in some districts and decreased in others for both section 214 applicants and non-section 214 applicants. However, it is difficult to attribute the changes in processing time directly to the use of the section 214 authority because many other factors may have influenced processing times and may have masked the effects of the authority. For example, the complexity of 214 permit applications may have resulted in greater processing time for these applicants. Generally, Corps officials and nonfederal public entities who used the authority believe that it has expedited permit processing, saved them cost and time, and improved communication between the Corps and the section 214 applicants.

The four districts varied in the extent to which they adhered to the existing permit review process and the additional requirements to ensure impartiality of section 214 permit decisions. For example, one district did not follow a key step in reviewing certain types of section 214 permits because officials did not know they were required to do so. In two other districts, lack of documentation in the permit files prevented GAO from determining whether they followed the existing review processes for another type of permit. With regard to the additional requirements imposed by the Corps for section 214 permits, some districts did not comply with these requirements because they were not aware of them, and others did not comply with them because they interpreted the requirements differently than Corps headquarters intended.