

TO APPROVE THE TRANSFER OF YELLOW CREEK PORT
 PROPERTIES IN IUKA, MISSISSIPPI

JULY 24, 2014.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

Mr. SHUSTER, from the Committee on Transportation and
 Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 3044]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom
 was referred the bill (H.R. 3044) to approve the transfer of Yellow
 Creek Port properties in Iuka, Mississippi, having considered the
 same, report favorably thereon without amendment and rec-
 ommend that the bill do pass.

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PURPOSE OF LEGISLATION

H.R. 3044, to approve the transfer of Yellow Creek Port properties in Iuka, Mississippi, approves the conveyance of property by the Tennessee Valley Authority to the State of Mississippi.

BACKGROUND AND NEED FOR LEGISLATION

The Tennessee Valley Authority (TVA) was established by Congress in 1933 to aid in the development of the Tennessee River Valley region through the proper use, conservation, and development of the region's natural resources. The region includes parts of seven states—Virginia, Kentucky, Tennessee, North Carolina, Mississippi, Alabama, and Georgia.

TVA is an independent government corporation, with headquarters in Knoxville, Tennessee. One of the most significant programs of the TVA has been the furnishing of plentiful, low cost electricity to the region.

Under Section 4(k)(b) of the Tennessee Valley Authority Act of 1933, TVA may "convey by deed, lease, or otherwise, the possession and control of any such real property to any corporation, partnership, person, or persons for the purpose of erecting thereon docks and buildings for purposes or the manufacture or storage thereon of products for the purpose of trading or shipping in transportation: *Provided*, That no transfer authority herein (b) shall be made without the approval of Congress: . . ."

This provision allows TVA to negotiate the conveyance of property without a public auction, subject to the approval of Congress.

Though rare, Congress has taken action to approve of this type of non-competitive conveyance in the past. For instance, in August 1954, Congress enacted Public Law 83-722 to approve of the conveyance TVA public use terminal properties in Knoxville, Chattanooga, and Harriman, Tennessee, and Decatur and Guntersville, Alabama.

The Yellow Creek Port Project is an industrial port development project at the juncture of the Tennessee and Tombigbee Rivers to stimulate economic growth in the northern Mississippi area. The project initiators were TVA, Mississippi Development Authority, Tombigbee River Valley Water Management District, and Yellow Creek Port Authority which were bound by a contractual agreement first executed in 1971 to develop the port.

As intended by this project, economic and industrial port development has occurred, including industrial growth, high paying jobs, associated spin off industries, and increased traffic on the inland waterway system. TVA's contribution consisted of land, roads and railroads, docks, buildings, and materials handling equipment equaling about \$7 million, most of which were appropriated funds. Mississippi's investment in the project has been considerably more significant and to date totals over \$24 million.

Construction of Yellow Creek Port in 1971 initially involved approximately 289 acres. Approximately 116 acres have been sold in fee. The remaining approximately 173 acres to be conveyed are described as follows:

- 75 acres are encumbered by a permanent industrial easement;
- 16.8 acres are encumbered by highway easements;

26.5 acres are encumbered by railroad easements; and, 54 acres remain undeveloped and zoned for industrial use.

Of the lands that are encumbered by permanent easements, the easement rights are so extensive that the remaining fee has no appreciable value. The easement rights include rail and road rights-of way over tracts that are only wide enough to allow the applicable rail line or road as well as easements that allow industrial or port operations over the entire tract.

The 54 unencumbered acres that remain undeveloped have been available for sale since 1984, despite ongoing marketing efforts by TVA. Approximately 50 percent of this remaining land is undevelopable due to topography and sensitive resources.

TVA has not considered asking for fair market value for the land transfer due to state and local investments at Yellow Creek Port, and due to TVA's determination that transferring the land to the state of Mississippi, with the condition that it be developed solely for industrial purposes consistent with Section 4(k)(b) of the TVA Act, is the most effective way to advance TVA's original economic development goals for the project.

Under a law enacted by the state in 2011, Mississippi is authorized to acquire the property if environmental assessments determine that the property is clear of any contaminants or pollutants and if TVA waives certain payment obligations. Although some spending may occur if the state's environmental assessments identify a need for remedial action, TVA anticipates that any such costs would be negligible and could occur under current law.

TVA does place reversionary interest clauses in transfers and sales to ensure that those uses specified by Congress in the TVA Act are carried out. TVA retains the right to re-enter and take possession of the property if the use conditions are breached.

HEARINGS

No hearings were held on H.R. 3044.

LEGISLATIVE HISTORY AND CONSIDERATION

On August 2, 2013, Representative Alan Nunnelee of Mississippi introduced H.R. 3044, a bill to approve the transfer of Yellow Creek Port properties in Iuka, Mississippi.

On July 16, 2014, the Committee on Transportation and Infrastructure met in open session to consider H.R. 3044, and ordered the bill reported favorably to the House by voice vote with a quorum present.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires each committee report to include the total number of votes cast for and against on each recorded vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. There were no recorded votes taken in connection with consideration of H.R. 3044, or ordering the bill reported. A motion to order H.R. 3044 reported favorably to the House was agreed to by voice vote with a quorum present.

COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the enclosed cost estimate for H.R. 3044 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 18, 2014.

Hon. BILL SHUSTER,
*Chairman, Committee on Transportation and Infrastructure,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3044, a bill to approve the transfer of Yellow Creek Port properties in Iuka, Mississippi.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Kathleen Gramp.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 3044—A bill to approve the transfer of Yellow Creek Port properties in Iuka, Mississippi

H.R. 3044 would authorize the Tennessee Valley Authority (TVA) to convey certain federal properties to the state of Mississippi. Enacting the bill would affect direct spending; therefore, pay-as-you-go procedures apply. CBO estimates, however, that the net impact on direct spending would be insignificant over the 2014–2024 period. Enacting H.R. 3044 would not affect revenues or spending subject to appropriation.

Based on information from TVA and the state of Mississippi, CBO estimates that TVA would convey approximately 172 acres in an area known as the Yellow Creek Port in Iuka, Mississippi. Under a law enacted by the state in 2011, Mississippi is authorized to acquire the property if environmental assessments determine that the property is clear of any contaminants or pollutants and if TVA waives certain payment obligations. The conveyance is subject to Congressional approval because the transfer would occur through a noncompetitive process.

TVA would incur some administrative and other expenses to implement the conveyance, but CBO expects that those costs probably would be insignificant in any given year. Although some spending may occur if the state's environmental assessments identify a need for remedial action, TVA anticipates that any such costs would be negligible and could occur under current law. Furthermore, CBO estimates that any changes in TVA's expenses would have no significant net effect on direct spending over the 2014–2024 period because TVA is required by law to pass on all of its costs and savings to its electricity customers.

H.R. 3044 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would benefit the state of Mississippi.

On February 28, 2014, CBO transmitted a cost estimate for S. 212, a bill to approve the transfer of Yellow Creek Port Properties in Iuka, Mississippi, as ordered reported by the Senate Committee on Environment and Public Works on February 6, 2014. H.R. 3044 is identical to S. 212 and the CBO cost estimates are the same.

The CBO staff contact for this estimate is Kathleen Gramp. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goal and objective of this legislation is to approve the transfer of Yellow Creek Port properties in Iuka, Mississippi.

ADVISORY OF EARMARKS

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee is required to include a list of congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives. No provision in the bill includes an earmark, limited tax benefit, or limited tariff benefit under clause 9(e), 9(f), or 9(g) of rule XXI.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to section 3(j) of H. Res. 5, 113th Cong. (2013), the Committee finds that no provision of H.R. 3044 establishes or reauthorizes a program of the federal government known to be duplicative of another federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

Pursuant to section 3(k) of H. Res. 5, 113th Cong. (2013), the Committee estimates that H.R. 3044 directs no rule makings.

FEDERAL MANDATE STATEMENT

The Committee adopts as its own the estimate of federal mandates prepared by the Director of the Congressional Budget Office

pursuant to section 423 of the Unfunded Mandates Reform Act (P.L. 104-4).

PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt state, local, or tribal law. The Committee states that H.R. 3044 does not preempt any state, local, or tribal law.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act are created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (P.L. 104-1).

SECTION-BY-SECTION ANALYSIS OF LEGISLATION

Section 1. Transfer of Yellow Creek Port properties

Section 1 provides for the approval of the conveyance of 172 acres of property from the Tennessee Valley Authority to the State of Mississippi.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 3044 makes no changes in existing law.