DEPARTMENT OF THE ARMY CORPS OF ENGINEERS

COMPLETE STATEMENT

OF

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BEFORE

THE SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE ARMY CIVIL WORKS PROGRAM
FISCAL YEAR 2012

March 8, 2011

Chairman Gibbs and distinguished members of the Subcommittee:

I am honored to be testifying before your subcommittee today, along with the Assistant Secretary of the Army (Civil Works), the Honorable Jo-Ellen Darcy, on the President's Fiscal Year 2012 (FY12) Budget for the Civil Works Program of the United States Army Corps of Engineers.

My statement covers the following 12 topics:

- Summary of FY12 Program Budget
- Direct Program
- Investigations Program
- Construction Program
- Operation and Maintenance Program
- Reimbursable Program
- Proposed Legislation
- Planning Program Modernization
- Efficiency and Effectiveness of Corps Operations
- Value of the Civil Works Program to the Nation's Economy and Defense
- Research and Development
- National Defense

SUMMARY OF FY12 PROGRAM BUDGET

The Corps is fully committed to supporting the President's priorities to reduce the deficit, revitalize the economy and restore and protect the environment. The Fiscal Year 2012 Civil Works Budget is a performance-based budget that reflects a focus on the projects and activities that provide the highest net economic and environmental returns on the Nation's investment or address significant risks to human safety. The Budget also proposes cancellation of the unobligated balance of funding in the Mississippi River and Tributaries account that was previously provided for construction of the Yazoo Backwater Pumps, Mississippi project. The reimbursable Interagency and International Services Program is projected to involve an additional $1.6 billion.

DIRECT PROGRAM

The Budget includes $4.6 billion, including funding for the operation and maintenance of more than 600 flood and storm damage reduction projects, 143 commercial coastal navigation projects, and 51 commercial navigation projects on the inland waterways. It also funds continuing construction of 90 construction projects and two new construction starts. The Budget includes funds for 58 studies already underway and four new study starts. It will enable the Corps to process approximately 70,000 permit requests and to operate 75 hydropower plants with 350 generating units that produce about 24,000 megawatts per year. The Budget will enable about 370 million outdoor recreational visits to Corps projects and will provide water supply storage for about 14% of the Nation's municipal water needs. The Budget will sustain the Corps' preparedness to respond to natural disasters that we may experience. Finally, the Budget also proposes to reduce Federal costs through a reduction in funding in lower-priority programs.

INVESTIGATIONS PROGRAM

The Budget for the Investigations program will enable the Corps to evaluate and design future projects that are most likely to be high-performing within the Corps three main mission areas: commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. The Budget includes $104 million for these and related activities in the Investigations account and $1 million in the Mississippi River and Tributaries account. It funds 58 continuing studies (1 reconnaisance and 57 feasibility) and four new studies: Englebright and Daguerre Point Dams (Yuba River) Fish Passage, CA; Cano Martin Pena, PR; the Chesapeake Bay Comprehensive Plan; and the Louisiana Coastal Area Comprehensive Study. Funding is also included for the Water Resources Priorities Study, a high-priority evaluation of the nation's vulnerability to inland and coastal flooding, as well as the effectiveness, efficiency, and accountability of existing water resource programs and strategies.

CONSTRUCTION PROGRAM

The goal of the construction program is to deliver as high a value as possible to the Nation from the overall availalble funding through the construction of new water resources projects and the replacement, rehabilitation, and expansion of existing water resources projects in the three main Civil Works missions (flood and storm damage reduction, aquatic ecosystem restoration, and commercial navigation) and related projects (principally hydropower). The Fiscal Year 2012 budget includes $1.48 billion in the Construction account and $78 million in the Mississippi River and Tributaries account to further this objective. Consistent with this goal, the Budget also gives priority to projects that address a significant risk to human safety.

The budget funds 92 construction projects, including: 55 Flood and Storm Damage Reduction projects (three budgeted for completion); 16 Commercial Navigation projects (including five continuing mitigation items and four dredged material placement areas); 19 Aquatic Ecosystem Restoration projects (incluing three projects to meet Biologiocal

Opinions); and mitigation associated with two Hydropower projects. Two of these construction projects are new starts. In the construction program, the aquatic ecosystem restoration mission also includes significant environmental mitigation work in the Columbia River Basin and the Missouri River Basin needed to support the continued operation of Corps of Engineers multi-purpose projects, which improves habitat and migration pathways for endangered and threatened species.

Performance measures, which the Corps uses to establish priorities among projects, include the benefit-to-cost ratios for projects with economic outputs and the most cost-effective restorations of significant aquatic ecosystems. The selection process also gives priority to dam safety assurance, seepage control, static instability correction work and to projects that address a significant risk to human safety. These performance measures maximize benefits to the Nation from the Civil Works construction program by focusing on the projects that will provide the best net returns for each dollar invested.

OPERATION AND MAINTENANCE PROGRAM

The facilities owned and operated by, or on behalf of, the Corps of Engineers are aging. As stewards of this infrastructure, we are working to ensure that its key features continue to provide an appropriate level of service to the Nation. Sustaining such service poses a technical challenge in some cases, and proper maintenance is becoming more expensive at many of our projects as infrastructure ages.

The Operation and Maintenance (O&M) program for the FY12 Budget includes $2.314 billion and an additional $131 million under the Mississippi River and Tributaries program with a focus on the maintenance of key commercial navigation, flood and storm damage reduction, hydropower, and other facilities. Specifically, the O&M program supports completed works owned or operated by the Corps of Engineers, including administrative buildings and laboratories. Work to be accomplished includes: operation of the locks and dams of the inland waterways; dredging of inland and coastal federal commercial naviation channels; operating multiple purpose dams and reservoirs for flood damage reduction, aquatic ecosystem restoration, hydropower, recreation, and other related purposes; maintenance and repair of these facilities; monitoring of completed storm damage reduction projects along our coasts; and general management of facilities and the lands associated with these purposes.

REIMBURSABLE PROGRAM

Through the Interagency and Intergovernmental Services Program, we help non-DOD Federal agencies, state, local, and tribal governments, and other countries with timely, cost-effective implementation of their programs. Rather than develop their own internal workforce to oversee design and construction of projects, these agencies can turn to the Corps of Engineers, which has these capabilities. Such intergovernmental cooperation is effective for agencies and the taxpayer by using the skills and talents that we bring to our Civil Works and Military Program missions. The work is principally technical oversight and management of engineering, environmental, and construction contracts

performed by private sector firms, and is totally financed by the agencies we serve. We only accept agency requests that we can execute without impacting our Civil Works or Military Programs missions, are consistent with our core technical expertise, and are in the national interest.

Currently, we provide reimbursable support for about 70 other Federal agencies and several state and local governments. Total reimbursement for such work in FY 2012 is projected to be $1.6 billion, reflecting completion of most ARRA work and a general reduction in budget capability for most of our other agency customers. The exact amount will depend on requests from the agencies.

PROPOSED LEGISLATION

The Budget includes several legislative proposals that will improve operations or enable execution of important national programs. The Budget proposes to extend the authority to implement measures to prevent the migration of invasive aquatic species into the Great Lakes, to transfer funds between accounts to enable completion of the New Orleans perimeter protection by June 2017, to purchase the property that houses the Cold Regions Research Engineering Laboratory in Hanover, New Hampshire, and to make a minor modification to existing law that will enable us to serve in an official capacity in meetings of the Permanent International Association of Navigation Congresses. As included in the testimony of Assistant Secretary of the Army (Civil Works) Jo-Ellen Darcy, the Budget also discusses two other important legislative initiatives, concerning the way in which Federal navigation activities are funded.

PLANNING PROGRAM MODERNIZATION

The Corps will continue to implement actions to improve its Civil Works Planning Program performance through a planning modernization effort. This effort focuses on how best to organize, manage, operate, and oversee the planning program to more effectively address 21st Century water resources challenges, including: improved project delivery that yields smarter outcomes; improved technical capability of our planners; enhanced collaboration with Federal State, local and non-governmental partners; evaluating and enhancing Corps Planning Centers of Expertise production capability and staffing; and strengthening the objectivity and accountability of our planning efforts. Our improved planning performance will include: updated planning guidance and policy; streamlined, adaptable planning processes to improve effectiveness, efficiency, accuracy, and reponsiveness; and enhanced technical capabilities.

In FY 2011, the Corps launched a two-year National Planning Pilot Program to test the concepts of this approach within our current policy and to develop and refine methodologies and processes for planning studies across all business lines in a manner that is sustainable and replicable and that will inform future Civil Works guidance. We expect to conduct approximately 7 to 9 pilot studies over the course of the National Planning Pilot Program.

EFFICIENCY AND EFFECTIVENESS OF CORPS OPERATIONS

The Corps always strives to continually improve the efficiency and effectiveness of its investigations, construction, and operation and maintenance programs. In FY 2012, the Corps will further expand the implementation of a modern asset management program; increase its focus onthe most important maintenance work; implement an energy sustainability program; pursue major efficiencies in the acquisition and operations of its information technology assets; and complete the ongoing reorganization of its acquisition workforce.

EMERGENCY RESPONSE

From across the Nation, the people who work for the Corps continue to respond whenever needed to the call to help during major floods and other national emergencies. The critical work they are doing reduces the risk of damage to people and communities. The Budget provides $27 million for preparedness for floods, hurricanes, and other natural disasters, including $4 million in support of the levee safety initiative for Corps participation in the expansion of interagency teams known as Silver Jackets, to include every State, and provide unified Federal assistance in implementing flood and storm damage reduction solutions.

RESEARCH AND DEVELOPMENT

Civil Works Program research and development provides the nation with innovative engineering products, some of which can have applications in both civil and military infrastructure spheres. By creating products that improve the efficiency and competitiveness of the nation's engineering and construction industry and by providing more cost-effective ways to operate and maintain infrastructure, Civil Works program research and development contributes to the national economy.

NATIONAL DEFENSE

Internationally, the U.S. Army Corps of Engineers continues to support the mission to help Iraq and Afghanistan build foundations for democracy, freedom and prosperity.

We are proud to serve this great nation and our fellow citizens, and we are proud of the work the Corps does to support America's foreign policy, particularly with our ongoing missions in Afghanistan and Iraq. Men and women from across the Corps – all volunteers and many of whom have served on multiple deployments – continue to provide critical support to our military missions there and humanitarian support to the citizens of those nations. Currently, 1168 Corps employees (civilian and military) are deployed in Iraq and Afghanistan, where they have completed a total of over 6,000 infrastructure and water resources projects.

Ms. Darcy and I traveled to Afghanistan last month. As with every opportunity that I've had to travel to that theater, I continue to be amazed – but not surprised – by the progress being made. It was truly a privilege to visit with the outstanding Corps men and women who are making this happen, and to see their dedication and commitment.

In Afghanistan, the Corps is spearheading a comprehensive infrastructure program for the Afghan national army, and is also aiding in critical public infrastructure projects.

CONCLUSION

The Corps of Engineers is committed to staying at the leading edge of service to the Nation. We are committed to change that ensures an open, transparent, and performance-based Civil Works Program.

Thank you, Chairman Gibbs and Members of the Subcommittee. This concludes my statement.