DEPARTMENT OF THE ARMY CORPS OF ENGINEERS

COMPLETE STATEMENT

OF

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ACTING CHIEF OF ENGINEERS
U.S. ARMY CORPS OF ENGINEERS

BEFORE

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

UNITED STATES HOUSE OF REPRESENTATIVES

ON

A REVIEW OF THE PRESIDENT'S FISCAL YEAR 2013 BUDGET
REQUEST FOR THE ARMY CORPS OF ENGINEERS

MARCH 27, 2012

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 2013 (FY13) Budget for the Civil Works Program of the United States Army Corps of Engineers.

The Corps is wrapping up an unprecedented period of construction and project execution. Over the past five years, we provided $12 billion in BRAC-related construction; $7 billion of American Recovery and Reinvestment Act (stimulus) work in our Military and Civil Works programs combined; and about $14 billion of Gulf Coast recovery work.

In 2011 the Corps responded to several devastating tornadoes and floods, as well as hurricanes and tropical storms, under the National Response Framework in support of FEMA. Flooding was a significant problem as we experienced record high water levels for a much longer duration than is the norm throughout much of the country. Our flood risk reduction systems were operated at their maximum capacity, some for the first time. The great men and women of the Corps of Engineers worked tirelessly, together with our state, local and industry partners, to ensure that we could deliver on all of our commitments last year. It is through their efforts that we were successful and will continue to be able to carry out the projects and programs included in the FY13 Budget.

My statement covers the following 11 topics:

- Summary of FY13 Program Budget
- Direct Program
- Investigations Program
- Construction Program
- Operation and Maintenance Program
- Reimbursable Program
- 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 FY13 PROGRAM BUDGET

The Corps is fully committed to its support of the Nation's priorities to reduce the deficit, contribute to the economy, and restore and protect the aquatic environment. The Fiscal Year 2013 Civil Works Budget provides the Corps with the means to support these priorities. It is a performance-based budget, which 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, to include continuing a comprehensive levee safety initiative and supporting increased interagency and stakeholder collaboration. The Reimbursable Program funding is projected to provide an additional $1.6 billion.

DIRECT PROGRAM

The Budget includes $4.7 billion for civil works activities, with priority on the highest performing activities within our three main water resources missions – commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. The Budget invests in more than 600 flood and storm damage reduction projects, 143 commercial coastal navigation projects, and 51 projects on the inland waterways. For example, it provides increased funding for high use, commercial, coastal channels and harbors including support of efforts to accommodate Post-Panamax ships. In total, the Budget supports ongoing construction of 98 projects and three new construction starts. The Budget includes funds for 81 studies already underway and six new study starts. It will enable the Corps to process approximately 80,000 permit requests and to operate 75 hydropower plants with 350 generating units that produce approximately 24,000 megawatts annually. At its multi-purpose projects, the Corps also stores water to supply about 14% of the Nation's municipal water needs. The Budget will also sustain the Corps' preparedness to respond to natural disasters.

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 water resources mission areas. The Budget includes $102 million for these and related activities in the investigations account and $1 million in the Mississippi River and Tributaries account. It funds 81 continuing studies and six new studies: Englebright and Daguerre Point Dams (Yuba River) Fish Passage, CA; Cano Martin Pena, PR; the Chesapeake Bay Comprehensive Plan; the Louisiana Coastal Area Comprehensive Study; and the Houston Ship Channel, TX. 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. Investigations funding also includes $10.63 million for work on proposals to deepen seven U.S. ports: Boston, Massachusetts; Charleston, South Carolina; Savannah, Georgia; Wilmington, North Carolina; Brazos Island, Brownsville Channel, Texas; Jacksonville, Florida and Houston, Texas.

CONSTRUCTION PROGRAM

The goal of the construction program is to deliver as high a value as possible to the Nation from the overall available funding through the construction of new water resources projects and the replacement, rehabilitation, and expansion of existing flood and storm damage reduction, aquatic ecosystem restoration, commercial navigation, and hydropower projects. The Fiscal Year 2013 budget includes $1.47 billion in the Construction account and $99 million in the Mississippi River and Tributaries account to further this objective. Consistent with this objective, the Budget also gives priority to projects that address a significant risk to human safety.

The Budget funds 101 construction projects, including: 57 Flood and Coastal Storm Damage Reduction projects (five budgeted for completion); 23 Commercial Navigation projects (including eleven continuing mitigation items and six dredged material placement areas); 19 Aquatic Ecosystem Restoration Projects (including four projects to meet Biological Opinions); and mitigation associated with two Hydropower projects. Three of these construction projects are new starts: Hamilton City, California; Louisiana Coastal Area Ecosystem Restoration, Louisiana; and Lower Colorado River, Wharton-Onion Creek, Texas. This program 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, and static instability correction work and to activities that address a significant risk to human safety. These performance measures maximize the overall return to the Nation from the investment in 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 American people, a growing challenge in some cases, as proper maintenance is becoming more expensive at many of our projects.

The Operation and Maintenance (O&M) program for the FY13 Budget includes $2.53 billion and an additional $134 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 navigation channels; operating multiple purpose dams and reservoirs for flood damage reduction, commercial navigation, aquatic ecosystem restoration, hydropower, and related purposes; maintenance and repair of the facilities; monitoring of completed storm damage reduction projects along our coasts; and general management of Corps facilities and the land 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 workforces to oversee project design and construction, these agencies can turn to the Corps of Engineers, which already 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 Programs 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 service.

We only accept agency requests that we can execute without impacting our Civil Works or Military Programs missions that are consistent with our core technical expertise and that 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 FY13 is projected to be $1.6 billion, reflecting the completion of ongoing reimbursable work and an estimated amount for FY 13.

PLANNING PROGRAM MODERNIZATION

The Corps will continue to implement actions to improve the performance of its Civil Works Planning Program through a planning modernization effort. This effort focuses on how best to prepare, organize, manage, operate, and oversee the planning program to more effectively address 21st Century water resources challenges. This means improved project delivery that yields smarter outcomes; improved technical capability of our planners; enhanced collaboration with Federal, Tribal, State, Local and non-government partners; evaluating and enhancing production capability and staffing at Corps Planning Centers of Expertise; 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 that improve our effectiveness, efficiency, transparency, and responsiveness; and enhanced technical capabilities.

In FY 2011, the Corps launched a two-year National Planning Pilot Program to test these concepts and to develop and refine processes for planning studies across all business lines. This approach will be both sustainable and replicable, which will inform future Civil Works guidance. Seven to nine Pilot studies will be executed over the course of this National Planning Pilot Program.

EFFICIENCY AND EFFECTIVENESS OF CORPS OPERATIONS

The Corps always strives to continually improve its investigations, construction, and operations programs' efficiency and effectiveness. In 2013, the Corps will further expand the implementation of a modern asset management program, using a larger portion of its funds for the most important maintenance work, while implementing an energy sustainability program that pursues major efficiencies in the acquisition and operations of its information technology assets, as well as finalizing the reorganization of the Corps' acquisition workforce.

VALUE OF THE CIVIL WORKS PROGRAM TO THE NATION'S ECONOMY AND DEFENSE

Corps of Engineers personnel continue to respond whenever needed to assist during major floods and other natural disasters. The critical work that they perform reduces the risk of damage to people and communities. The Budget provides $30 million for preparedness for floods, hurricanes, and other natural disasters, including funding in support of Corps participation of the levee safety and other flood mitigation initiatives, including the Silver Jackets program, with a goal of one in every state, and to 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 and our quality of life.

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, 885 Corps employees (both civilian and military) are deployed in Iraq and Afghanistan. Since these deployments began, the Corps has completed over 9,000 civilian and military projects that were managed by the Corps in support of U.S. and Coalition efforts in those countries.

In Iraq, we completed a more than $15 billion construction program and in Afghanistan we have constructed $5 billion worth of work through FY11. By the end of 2014 we will complete another $10 billion, for a total Afghanistan program of $15 billion. This critical infrastructure and our capacity building efforts will play a key role in ensuring stability and security for these nations.

CONCLUSION

The FY13 Budget represents a continuing, fiscally prudent investment in the Nation's water resources infrastructure and in the restoration of its aquatic ecosystems. The Corps of Engineers is committed to change that ensures an open, transparent, and performance-based Civil Works Program, while remaining focused on consistently delivering innovative, resilient, risk-informed solutions to the Armed Forces and the Nation.

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