

DEPARTMENT OF THE ARMY

**WRITTEN STATEMENT
OF**

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**BEFORE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT
UNITED STATES SENATE**

ON

**THE FISCAL YEAR 2020 BUDGET
FOR THE CIVIL WORKS PROGRAM
OF THE ARMY CORPS OF ENGINEERS**

APRIL 10, 2019

Chairman Alexander, Ranking Member Feinstein, and distinguished members of the committee, thank you for the opportunity to be here today to discuss the President's Budget for the Civil Works program of the Army Corps of Engineers.

The Fiscal Year 2020 Budget provides over \$4.8 billion for the Army Civil Works program, with a focus on investments that will yield high economic and environmental returns or address a significant risk to public safety. This Budget relies on a foundation of strong relationships between the Corps and local communities, which allow us to work together to help manage, develop, restore, and protect their water resources. The Budget focuses on the highest performing work within the three main missions of the Corps:

- commercial navigation,**
- flood and coastal storm damage reduction, and**
- aquatic ecosystem restoration.**

The FY 2020 Budget includes approximately \$2.4 billion for the study, design, construction, operation and maintenance of inland and coastal navigation projects. The Budget gives priority to coastal harbors and inland waterways with the most commercial traffic. It also provides for the maintenance of channels at small ports, with emphasis on those that support significant commercial fishing, subsistence, or public transportation benefits.

The Flood Risk Management program is funded at approximately \$1.2 billion in the Budget and includes funding to provide technical and planning assistance to local communities to enable them to understand and to better manage their flood risks. The Budget assists these local efforts, with emphasis on non-structural approaches.

The Budget provides \$187 million to restore several large ecosystems that have been a focus of interagency collaboration and to support restoring aquatic habitat in ecosystems where the aquatic ecosystem structure, function, and processes have degraded.

These investments will enable communities to facilitate waterborne transportation, reduce their flood risk, and restore significant aquatic ecosystems.

The Budget supports a Corps program that has a diverse set of tools and approaches to working with local communities, whether this means funding projects with our cost-sharing partners, providing planning assistance and technical expertise to help communities make better informed decisions, or participating in the national and international conversations on how to best

address our water resources challenges. The Budget helps us maintain and improve our efforts on resiliency and sustainability – one of the challenges associated with the ways that we have used our water resources.

The Budget also focuses on maintaining the vast water resources infrastructure that the Corps owns and manages and on finding innovative ways to rehabilitate it or hand it over to others.

These goals will be met by funding capital investment in the inland waterways, and reforming the way that we finance these investments. Our proposal includes establishing an annual fee that will support infrastructure investment and economic growth by helping finance the users' share of future capital investment, as well as 10 percent of the operation and maintenance cost, associated with these waterways. The Budget once again proposes to divest the Washington Aqueduct, which is the wholesale water supply system for Washington, D.C.; Arlington County, Virginia; the City of Falls Church, Virginia; and parts of Fairfax County, Virginia.

The Budget proposes revisions to the appropriations language for the Construction, Operation and Maintenance, and Mississippi River and Tributaries accounts and the Harbor Maintenance and Inland Waterways Trust Funds to enable greater transparency and accountability in how these funds are budgeted and spent. The Press Book, which you have before you, reflects this by displaying the total account and project funding levels derived from each of these trust funds.

The Budget promotes increased non-Federal participation in the construction of Civil Works projects to improve project delivery and to increase cost savings. It includes \$150 million in the Construction account for the WRRDA 2014 Section 1043 Non-Federal Construction of Federal Projects program. The Corps would transfer this funding to non-Federal sponsors who have decided to construct an authorized project on their own under Section 1043 of WRRDA 2014, as amended. The Budget also proposes to extend this program's authorization, which currently expires on June 10, 2019. The Budget also provides \$150 million in the Construction account for the Innovative Funding Partnerships program. These funds would be used, in conjunction with funds voluntarily provided by non-Federal interests in excess of the non-Federal sponsor's statutory cost share requirements, to accelerate the completion of construction of authorized projects.

In addition, the budget proposes to return responsibility for management of the Formerly Utilized Sites Remedial Action Program (FUSRAP) back to the Department of Energy. The Army Corps would continue to perform cleanup of FUSRAP sites on a reimbursable basis with DOE. Consolidation of FUSRAP with

the other DOE federal cleanup programs under a single agency will allow DOE to consider a broader range of federal cleanup responsibilities in prioritizing work each fiscal year and result in efficiencies for taxpayers.

The FY 2020 Investigations program is funded at \$82 million in the Budget, including \$5 million from the Mississippi River and Tributaries (MR&T) account, of which \$26 million is to fund studies to determine the need, engineering feasibility, and economic, environmental and social return of potential solutions for water and related land resources problems.

The Investigations account includes funding to complete one preconstruction engineering and design (Mobile Harbor, AL), and three dredged material management plans (Buffalo Harbor, NY, Cleveland Harbor, OH and Corpus Christi Ship Channel, TX).

The FY 2020 Construction program includes a total of \$1.3 billion. This includes funding for nine commercial navigation projects, five aquatic ecosystem restoration projects and programs, and four flood risk management projects. The construction program uses objective, performance-based guidelines to allocate funding toward the highest performing economic, environmental, and public safety investments.

Four construction projects are funded to completion in the FY 2020 Budget. They include three commercial navigation projects – Charleston Harbor, SC; Locks and Dams 2, 3 and 4, Monongahela River, PA; and Melvin Price Lock and Dam, IL & MO; and one aquatic ecosystem restoration project – Mud Mountain Dam, WA.

The FY 2020 O&M program is funded at \$3 billion. For O&M, the Budget emphasizes performance of existing projects by focusing on those coastal harbors and inland waterways with the most commercial traffic. The allocation of funding for maintenance among projects reflects a risk-informed approach that considers both project and project component conditions and the potential consequences of a failure. The Budget also makes important investments in the O&M program to promote the sustainable management of the lands around Corps facilities, by providing funds to update the plans that govern how we manage our facilities and helping to combat invasive species.

The Budget proposes to derive \$965 million from the Harbor Maintenance Trust Fund to maintain coastal channels and related work, and \$55.5 million from the Inland Waterways Trust Fund to complete the Locks and Dams 2, 3, and 4, project on the Lower Monongahela River.

The FY 2020 Regulatory Program is funded at \$200 million to protect the nation's waters and wetlands and provide efficiency in permit processing.

Lastly, the Budget provides a total of \$32 million for the Emergency Management program, a robust level of funding to help ensure that our people are properly trained and equipped, so that they will be able to help communities respond to a flood or other disaster.

Thank you all for inviting me here today. I look forward to your questions.