

**Chairman Lamar Alexander Opening Statement
Committee on Appropriations Subcommittee on Energy and Water Development**

**Hearing to Review the FY2019 Budget Request for the U.S. Army Corps of Engineers and
the Bureau of Reclamation within the U.S. Department of the Interior**

April 18, 2018

(As prepared for delivery)

I want to thank our witnesses for being here today, and also Senator Feinstein.

Our witnesses today include: R.D. James, Assistant Secretary of the Army for Civil Works; Lieutenant General Todd Semonite, Chief of Engineers for the U.S. Army Corps of Engineers; Brenda Burman, Commissioner for the Bureau of Reclamation at the Department of the Interior; and Timothy R. Petty, Ph.D., Assistant Secretary for Water and Science at the Department of the Interior.

Today I will focus my questions on four main areas: making our nation's water infrastructure a priority; properly funding our inland waterways system; adequately funding our nation's ports and harbors; and using a more common-sense approach to making decisions about which projects receive funding by looking at the "remaining benefit to cost ratio" of an ongoing project. Today, because of Office of Management and Budget rules, the Corps has to pretend a project is not already under construction when the Corps decides which projects will receive funding each year. This does not make any sense, and makes it harder to complete projects on time and on budget.

Based on the number of appropriations requests we receive each year, the Corps of Engineers is the federal government's most popular agency.

I can recall when, after the Missouri and Mississippi rivers flooded in 2011, eight senators showed up at a Senate Environment and Public Works Committee hearing to ask what went wrong and what went right with disaster relief efforts. So, there's a real interest in what the Corps does.

The U.S. Army Corps of Engineers touches the lives of almost every American. The Corps maintains our inland waterways, it deepens and keeps our ports open, looks after many of our recreational waters and land, manages the river levels to prevent flooding, and its dams provide emission-free, renewable hydroelectric energy.

In my opinion, we should spend more, not less, on our nation's water infrastructure.

So, In 2012, Senator Graham and I gathered our staffs, including Senator Feinstein's, and we said, "Let's just rear back and ask what would a great country, the United States, want from its ports, locks, dams, and waterways in order to fully maximize them for our economic growth."

We asked the staff to paint a picture of where we'd like to go, and not worry about how we would pay for it. We had a lot of discussions among this group of senators and the White House. We talked to the Appropriations committee chairman, Senator Inuoye. We talked with the Environment and Public Works Committee, and other interested Senators. From these discussions, Congress took three important steps, focusing on properly funding our inland waterways system.

First, Congress passed a law that reduced the amount of money that comes from the Inland Waterways Trust Fund to replace Olmsted Lock, a project in Illinois and Kentucky that was soaking up almost all of the money that is available for inland waterway projects.

Second, we worked with the commercial waterways industry to establish a priority list for projects that needed to be funded, on which Chickamauga ranks near the top, in fourth place.

And third, we enacted a user fee increase that commercial barge owners asked to pay in order to provide additional funds to replace locks and dams across the country, including Chickamauga Lock.

These steps increased the amount of funding that was available for inland waterways projects from about \$85 million in fiscal year 2014 to \$104 million in fiscal year 2019. And Congress has followed through by appropriating all of the user fees that have been collected in the last four years.

The user fees that are paid into the Inland Waterways Trust Fund by waterway users are matched with federal dollars, which allow the Corps of Engineers to make significant progress to address the backlog of work on our inland waterways.

But despite knowing the Inland Waterways Trust Fund would have \$104 million available for fiscal year 2019, the Administration's budget is only proposing to spend \$5 million – the lowest level of proposed spending from the Inland Waterways Trust Fund in at least the last 20 years – and leaving 97% of these funds sitting unspent in a Treasury account.

That means, in effect, we would be collecting taxes from commercial barges to go through the locks in order to improve the locks, and then we would be keeping the money, putting it in the bank, and not spending it for the intended purpose.

And despite not spending the entire \$104 million in user fees from commercial barges, the administration's budget also includes a new user fee for inland waterways that would raise another \$1.7 billion over a 10-year window.

I do not think this is a responsible approach. We need to spend the money that is already being collected before we ask the waterways industry to pay more. It makes no sense to ask barge owners to pay more in fees when the administration is not even proposing to spend all the fees we are collecting today.

The budget request also only proposes to fund a single project, Olmsted Lock, and eliminates funding for the other three projects that are already under construction and received funding last year – Lower Monongahela, Kentucky Lock, and Chickamauga Lock.

Replacing Chickamauga Lock is important to all of Tennessee and if Chickamauga Lock closes, it will throw 150,000 more trucks onto I-75. Construction has been ongoing for the past four years so it does not make sense for the administration to not include the project in the budget request.

I've worked with General Semonite over the last two years and I deeply appreciate that funding for construction on Chickamauga Lock has been included in previous work plans. And as General Semonite and I have discussed, starting and stopping is not an efficient way to build projects.

This year's budget proposal is a huge step backwards for our nation's inland waterways.

Despite receiving a record level of funding in a regular appropriations bill of \$6.8 billion in fiscal year 2018, the budget request this year fails to adequately fund our nation's harbors, such as Mobile Harbor in Alabama; Savannah Harbor in Georgia; and Long Beach Harbor in California, and many others across the country.

Five years ago, Congress took a look at the need to provide more funding for our nation's ports and harbors to ensure we can compete with other harbors around the world.

We realized that the government was spending only a fraction of the taxes each year that were collected in the Harbor Maintenance Trust Fund for our ports and harbors, resulting in billions of dollars of unspent funds just sitting in a bank account that got bigger and bigger each year.

In fact, unlike the Inland Waterways Trust Fund – which has virtually no balance in the trust fund – the Harbor Maintenance Trust Fund has an unspent balance of over \$9 billion today.

To provide more funding for our ports and harbors, Congress enacted spending targets for the Harbor Maintenance Trust Fund in the Water Resources Reform and Development Act of 2014, that were meant to make us spend a little more each year on harbor maintenance projects.

We have met these targets for the last four years in the Energy and Water appropriations bill.

The target for fiscal year 2019 is about \$1.442 billion. However, the administration's budget only proposes to spend \$965 million, \$435 million less than what Congress appropriated last year and \$477 million below the WRRDA target.

So I will ask the witnesses how they plan to sufficiently fund our ports and harbors without requesting adequate resources to do it.

I'd also like to recognize Brenda Burman, Commissioner from the Bureau of Reclamation and Dr. Timothy Petty, Assistant Secretary for Water and Science at the Department of the Interior.

The Bureau of Reclamation delivers water to one of every five farmers in the West, irrigating more than 10 million acres of some of the most productive agricultural land in the country.

Although Reclamation doesn't manage water resources in Tennessee, I know of its deep importance to Senator Feinstein and other Senators on this subcommittee, and we look forward to hearing your testimony.

With that, I'll turn to Senator Feinstein for her opening statement.