

DEPARTMENT OF THE ARMY

**WRITTEN STATEMENT
OF**

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SENIOR OFFICIAL PERFORMING THE DUTIES OF THE
ASSISTANT SECRETARY OF THE ARMY
(CIVIL WORKS)**

BEFORE

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

ON

**THE FISCAL YEAR 2018 BUDGET
FOR THE ARMY CORPS OF ENGINEERS, CIVIL WORKS**

June 28, 2017

Thank you Chairman Alexander and distinguished members of the subcommittee for the opportunity to present the President's Budget for the Civil Works program of the Army Corps of Engineers for fiscal year (FY) 2018. The President's Budget for FY 2018 for the Civil Works program of the Army Corps of Engineers funds the development, restoration, and protection of the Nation's water, wetlands, and related resources, through studies, construction, and operation and maintenance of projects, the Corps regulatory program, the cleanup of certain sites contaminated as a result of the Nation's early atomic weapons development program, and emergency response preparedness. The Budget focuses on high performing work within the three main water resources missions of the Corps: commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration.

The Civil Works program, which this Budget supports, relies on strong relationships between the Corps and local communities; these strong relationships allow us to work together to meet water resources needs across all of our missions.

The Budget provides \$5.002 billion in discretionary funding for the Civil Works program, including approximately \$2.098 billion to support commercial navigation; \$1.37 billion for flood and storm damage reduction; and \$335 million for aquatic ecosystem restoration. Of these amounts, \$965 million would be derived from the Harbor Maintenance Trust Fund and \$26 million would be derived from the Inland Waterways Trust Fund.

The Budget prioritizes funding to operate and maintain water resources infrastructure by providing \$3.1 billion in the Operation and Maintenance account, and \$142 million for operation and maintenance in the Mississippi River and Tributaries account. Our funding allocations for the maintenance of commercial navigation, flood and storm damage reduction, and hydropower projects are informed by assessments of risk based on project condition and the consequences of a failure.

The Budget includes \$765 million for operation and maintenance of inland navigation projects and \$654 million for operation and maintenance of flood risk management projects, excluding remaining items. These funding levels will enable continued reduction of unscheduled lock closures due to preventable mechanical breakdowns and reduced risk at flood risk management projects.

The Budget provides \$965 million to be derived from the Harbor Maintenance Trust Fund (HMTF) to maintain coastal channels and related work, which is the highest amount ever budgeted, consisting of \$923 million from the Operation and Maintenance account, \$5 million from the Mississippi River & Tributaries account, and \$37 million from the Construction account.

The Budget provides \$1.020 billion in the Construction account, and \$108 million in the Mississippi River and Tributaries account prioritizing projects with a high net economic, environmental, and safety return to the Nation. The Budget continues to include efficient funding for the Olmsted Locks and Dam project at \$175 million and

proposes a new user fee to produce additional revenue to help finance future inland waterways navigation capital investments to support economic growth. This is necessary because the current excise tax on diesel fuel used in inland waterways commerce will not produce the revenue needed to cover anticipated future investment needs.

The Budget also includes \$299 million (including \$34 million for the Dam Safety remaining item) for the dam safety program. When coupled with anticipated unobligated carryover balances on these important projects, this funding will enable the Corps to evaluate and implement effective risk reduction strategies at our dams where needed.

The Budget provides \$86 million in funding for the Investigations account, and \$3 million for investigations in the Mississippi River and Tributaries account.

The Budget focuses on bringing ongoing studies to a conclusion. The Budget funds to completion 26 ongoing feasibility studies and includes \$15 million for Floodplain Management Services and \$5 million for the Planning Assistance to States program to provide local communities with technical and planning assistance to enable them to reduce their flood risk, with emphasis on non-structural approaches.

All feasibility studies funded in the Budget have signed Feasibility Cost-Sharing Agreements, and have developed a plan that outlines their scope, schedule, and cost, which has been agreed upon by the District, Division, Corps Headquarters, and the local sponsor.

The Budget also includes funds to complete the Loxahatchee River Watershed Study within the South Florida Everglades Restoration program.

Lastly, the Budget includes a proposed provision to divest the Washington Aqueduct. The Washington Aqueduct is the only local water supply system in the Nation owned and operated by the Corps. Ownership of local water supply is best carried out by State or local government or the private sector where there are appropriate market and regulatory incentives. The proposal to eliminate the Corps' role in local water supply and increase the State/local/private sector's role would encourage a more efficient allocation of economic resources and mitigate risk to taxpayers.

Thank you all for inviting me to attend today on behalf of the Administration. General Semonite will provide further remarks on the Army Civil Works 2018 Budget.