

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS FOR FISCAL YEAR 2011

THURSDAY, MARCH 11, 2010

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Byron L. Dorgan (chairman) presiding.

Present: Senators Dorgan, Murray, Johnson, Landrieu, Reed, Lautenberg, Harkin, Tester, Bennett, Cochran, Bond, Alexander, and Voinovich.

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

STATEMENT OF HON. JO-ELLEN DARCY, ASSISTANT SECRETARY

OPENING STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. Good morning. We'll call to order the hearing. This is a hearing of the Subcommittee on Energy and Water of the Senate Appropriations Committee. We appreciate all of you being here.

Today, the subcommittee will take testimony on the fiscal year 2011 budget requests for the U.S. Army Corps of Engineers and for the Department of the Interior.

Testifying for the Corps will be Jo-Ellen Darcy, the Assistant Secretary of the Army for Civil Works; Lieutenant General Robert Van Antwerp, Chief of Engineers for the U.S. Army Corps of Engineers.

Testifying for the Interior will be Anne Castle, Assistant Secretary for Water and Science at the Department of the Interior, and Michael L. Connor, Commissioner of the Bureau of Reclamation.

I appreciate all of you taking time to be with us this morning.

General Van Antwerp, I know you are aware of the National Weather Service predictions of a very high likelihood of major flooding in a number of communities in North Dakota and Minnesota and throughout the Midwest this spring. I've already asked the Corps districts that cover North Dakota to do as much advance preparation as is possible, and if the flooding is as severe as some predict, I'll be calling on you for much more help during the flood fight. Almost everyone remembers the weeks in which the Nation

watched every single day as they were on a knife's edge, wondering whether the dikes would hold on a substantial, major flood in Fargo and Moorhead. So, we might be right back into that in just the coming weeks. Thank you for the work the Corps is doing.

Regarding the fiscal year 2011 budget, the President has talked about an overall discretionary spending freeze for fiscal year 2011. That, however, has translated into a 9.3 percent cut for the Corps budget and a 2 percent cut for the Bureau budget. In my judgment, those are the wrong agencies to be cutting in the current economic situation. The Recovery Act was a shot in the arm—no question about that—but we should be building on that effort with more robust investments in water projects especially, not returning to chronically underfunding our needs.

The Corps and the Bureau are agencies that we depend on to build the water infrastructure that moves our Nation's cargo, to reduce the impact of flooding, to provide irrigation water, to provide hydropower, and to restore our environment. Nearly all of the work is contracted to the private sector, which means that there are new jobs for our citizens when we get these projects up and running. Not only does the work of the agencies provide jobs now, but the infrastructure that is constructed continues to benefit the economy. It's an asset for this country for decades in the future, which then, in turn, creates additional new jobs.

Unfortunately, in my opinion, the budget request ignores these facts and reflects the consistent underfunding that we've seen in too many prior budgets. The fiscal year 2011 budget for the Corps of Engineers proposes \$4.939 billion, which is \$506 million below fiscal year 2010 enacted of \$5.45 billion. Not only is the fiscal year 2011 amount less than what was enacted last year, it's 4 percent below what the administration proposed last year in their budget.

Secretary Castle and Commissioner Connor, the two major project accounts for the Department of the Interior under the jurisdiction of this subcommittee are the Central Utah Project Completion Act and water and related resources for the Bureau of Reclamation. Your budgets are relatively flat compared to fiscal year 2010. While the Central Utah Project is up \$1 million, the Bureau of Reclamation is down \$23 million from the current year. A flat budget is a declining budget for your agencies, and that's just a fact because you have additional salary and other expenses from inflation. Personnel, material, contract costs continue to increase. So, you are accomplishing less work with the same money based on the budget request. The needs for water and power, particularly in the west, continue to rise, along with population increases in western States.

I know that all of you, as members of the administration, in your prepared remarks, will tell us, as you must today, that this is a responsible budget request for your agencies, and it meets the country's needs. I have served here a long, long time, and your role here is to reflect and support the administration's budget. I understand that and am not surprised by it. I know of only one occasion where an official of an administration came and sat at that table, I think it was former Congressman Parker, and he was just unbelievably honest when asked, is this enough money for your agency? He said of course not; we're dramatically underfunded. The next day, he

was dramatically out of work. So, we have not gotten such a burst of candor since, and that was probably 10 years ago.

But I must tell you, from my personal standpoint, I do not think this is a good budget request for the Corps of Engineers and for the Bureau of Reclamation.

The top six construction projects in the Corps budget account for \$771 million of the \$1.7 billion requested for construction work all across the United States. That's 45 percent of the total just for six projects. Only one of the six projects has a benefit-to-cost ratio. The other five are for dam safety activities, environmental restoration, and environmental compliance.

In the general investigation account, two studies account for 30 percent of the money proposed by the administration in that account. Nearly half of the funding goes to national programs, rather than the studies of water resource needs. There are proposed new construction starts for a \$1.8 billion environmental restoration project. One of the studies that will be funded, if we accept this budget, would lead to a \$1 billion flood control project.

The question that we have to ask now is: How are we going to pay for them? We need to plan for that. I think, in many cases, these are very important priorities. The metrics and the budget criteria, I think, seem to drive the budget out of balance. And there's certainly nothing about the criteria that's any better than the criteria this committee uses to put together our approach, our annual spending recommendations. Our decisions are generally based on the law and the long-standing policy understandings between the executive and the legislative branch.

The decisions that the administration makes in their budget generally is the basis for the annual spending plan that this subcommittee develops, but the subcommittee will have no choice this year, frankly, but to make some changes in the fiscal year 2011 spending plan to rectify what I think are some of the inequities. I can't speak for everybody on the subcommittee, but I would say that I think the consensus of this subcommittee will not be to support cutting a half a billion dollars out of the Corps of Engineers' funding at this time. It is just not a thoughtful recommendation.

PREPARED STATEMENT

I do have a longer statement for the record, which goes into much more detail, but I wanted to highlight just a few of the issues.

[The statement follows:]

PREPARED STATEMENT OF SENATOR BYRON L. DORGAN

Good morning, the hearing will come to order.

Today, the subcommittee will take testimony on the fiscal year 2011 budget requests for the U.S. Army Corps of Engineers and the Department of Interior.

Testifying for the Corps will be: Jo-Ellen Darcy, Assistant Secretary of the Army for Civil Works.

Ms. Darcy, Congratulations on your confirmation Assistant Secretary. This is not our first meeting, but it is our first hearing together. I look forward to working with you on the many water resource problems that we have across this country.

Lieutenant General Robert L. Van Antwerp, Chief of Engineers for the U.S. Army Corps of Engineers.

General Van Antwerp, always good to see you, welcome.

As I am sure you are both aware, the National Weather Service has predicted a high likelihood of major flooding in a number of communities in North Dakota as well as throughout the Midwest this spring. I have already asked the Corps Districts that cover North Dakota to do as much advance preparation as possible and if the flooding is as severe as some are predicting, I will be calling on both of you for help during both the flood fight and the recovery.

Testifying for the Department of Interior will be: Anne Castle, Assistant Secretary for Water and Science, Department of the Interior.

Ms. Castle, Congratulations to you on your confirmation as Assistant Secretary for Water and Science. I look forward to working with you on many western water issues.

Michael L. Connor, Commissioner, Bureau of Reclamation.

Commissioner Connor, it is good to have you back with us.

As I am sure you are aware, I am quite passionate about issues concerning rural water supply, particularly on unmet promises from 50 years ago on the Garrison Diversion project. I am glad to see that your budget has provided a little more funding to address these long overdue promises.

Thank you all for appearing before us today.

As you know, this will be my last general budget oversight hearing of the Corps and the Bureau's budgets. The one constant in the Senate is change and assuming you stay in your positions, you will be testifying before a different Chairman next year.

When I assumed the Chairmanship of Energy and Water Subcommittee in January 2007, I was quite familiar with the work of both of your agencies in North Dakota from my many years in the Senate and the House.

However, upon becoming Chairman, I quickly realized the impacts that your programs have to the national economy.

More importantly, my colleagues quickly let me know how important your programs were to nearly all of them. It seemed they all had funding issues for on-going projects.

It appears that the administration's fiscal year 2011 budget will be no different in that regard.

The President has talked about an overall discretionary spending freeze for fiscal year 2011. That has translated into a 9.3 percent cut for the Corps budget and a 2 percent cut for the Bureau.

These are the wrong agencies to be cutting during the current economic situation. We should be increasing infrastructure spending now to boost the economy. The Recovery Act was a great shot-in-the-arm, but we need to build on that with more robust investments not return to underfunding our needs.

The Corps and the Bureau builds the water infrastructure that moves our Nation's cargo, reduces the impacts of flooding, provides irrigation water, hydropower and restores our environment.

Nearly all of their work is contracted to the private sector which means jobs for our citizens. Not only does the work of these agencies provide jobs now, the infrastructure that is constructed continues to benefit the economy for decades in the future which in turn creates more jobs.

Unfortunately, the budget request ignores this fact and reflects the consistent underfunding that we have seen in prior budgets.

The President's fiscal year 2011 budget for the Corps of Engineers proposes \$4.939 billion, which is \$506 million below the fiscal year 2010 enacted amount of \$5.445 billion.

Not only is the fiscal year 2011 amount less than what was enacted in fiscal year 2010, it is 4 percent below what the administration proposed for fiscal year 2010. When you look at the budget details on an account by account basis, the difference is more striking.

—General Investigations is down \$56 million from the current year.

—Construction, General is down \$341 million from the fiscal year 2010 enacted amount. The fiscal year 2011 request is even down from the administration's fiscal year 2010 proposal, yet the request manages to find \$29 million for two new construction projects.

—The Mississippi River and Tributaries account is down \$100 million from the current year.

—O&M is down \$39 million from the fiscal year 2010 enacted amount. O&M has been essentially flat for a number of years even though personnel, material, and equipment costs have continued to rise.

To provide current year levels for the Corps major accounts would require an additional \$536 million.

Secretary Castle and Commissioner Connor the two major project accounts for the Department of Interior under the jurisdiction of this subcommittee are the Central Utah Project Completion Act and Water and Related Resources for the Bureau of Reclamation. Your budgets are relatively flat when compared to fiscal year 2010.

The Central Utah Project Completion Account is proposed at \$1 million more than current year.

The Bureau of Reclamation is down \$23 million from the current year.

A flat budget is a declining budget for your agencies. Personnel, material and contract costs continue to increase, so you are accomplishing less work this year based on this budget request.

The needs for water and power in the West continue to rise along with the population increases in the western States.

I know that all of you as loyal members of the administration in your prepared remarks are going to tell us how responsible this budget request is for your agencies and how it meets the country's needs.

I know this because the last person that came to the Hill and actually told the truth about the administration's budget was fired. I don't want to see any of you fired so I will say what you can't.

Our national water resource needs continue to increase as our population grows and shifts around the country. However the Federal budget for these needs grows much more slowly, if at all.

In both agencies, budget development seems to be predicated on the notion that you can develop criteria to determine a finite group of "nationally important" projects.

I have heard the arguments that the projects funded are "national priorities" and that the metrics you develop allow you to make the "right" decisions about what should be funded. I am sure that all of you will make the same arguments in your testimony today.

However, the criterion seems to shift annually not only when we change administrations, it also happens within the same administration. It has happened in this administration.

For example, as I mentioned earlier, the Corps O&M budget for fiscal year 2011 is proposed at \$39 million less than the fiscal year 2010 enacted amount and \$143 million less than the administration proposed just last year.

This means either more work is being done with less money—not likely; maintenance costs have decreased—again, not likely; or periodic dredging costs for 2011 are drastically reduced over 2010—again, not likely.

The only conclusion left is that you have arbitrarily reduced the O&M account to meet a budget ceiling.

Another example is in the construction account. The budget proposes two new start projects while proposing to invest \$341 million less in the Construction, General account than was enacted in fiscal year 2010.

More surprising is that the fiscal year 2011 CG budget is \$28 million less than the administration proposed in their fiscal year 2010 budget. Yet there was room for two new construction projects. One of these new start projects is authorized at \$1.8 billion over a 10 year timeframe.

I have to wonder how this project will be shoehorned into the administration's out-year budget based on your recently delivered 5-year development plan.

The 2011 amount displayed in both the Base and Enhanced outlooks does not appear to accommodate this request with the other ongoing work. This makes me suspicious as to whether a funding stream for this project has been thought out or if this project was added for other reasons.

If I am suspicious of the basis for your new start criteria, I am downright skeptical of your other budgetary criteria.

A constant drumbeat of people who oppose projects added by Congress is that all of the projects that Congress adds are wasteful spending, but everything that is proposed by the administration is beyond reproach.

How can anyone make that determination? One certainly cannot tell from the budget justification documents.

Of the 95 projects proposed for the Corps Construction, General account only 49 have benefit to cost ratios. The other 46 have benefits that have been assumed to be greater than the costs; however we have no way of comparing one of these to another to determine if the proper choices were made. We are dependent on your metrics which, as I have noted, have a tendency to change.

For the 49 projects that have benefit to cost ratios, what are the metrics for substantial life savings benefits? One life? 10 lives? 100 lives?

Why is a benefit to cost ratio of 2.5 a better value for the Nation than a project with a benefit to cost ratio of 1.7? Shouldn't we be comparing excess benefits over cost if we are determining value?

We don't really have any way to determine if the metrics that you used to determine which projects to fund are the "best" metrics or are merely a convenience for hitting the budget amounts that were decided by OMB.

Despite what anyone may say, your metrics and criteria are no better than the criteria this subcommittee uses to develop its' annual spending recommendations.

Our decisions are generally based in law and longstanding policy understandings between the executive and legislative branch.

This subcommittee would never dismiss the President's budget request when trying to develop an appropriation bill.

However, projects that Congress believes are important that meet the legal criteria for Federal investment, but not the specialized criteria for your budget, are dismissed annually in your budget—as if they don't exist.

If they were considered, you would need to include the costs to bring these projects to some type of orderly conclusion.

An example is the Corps CG account. The administration's fiscal year 2011 CG proposal consists of 95 projects as opposed to the 258 projects funded in the fiscal year 2010 enacted amount.

I would remind you, as Congress has previously mentioned in law, that once the President signs the appropriations bill into law, all of the projects become the responsibility of the administration—not just the ones the administration supports.

I am pleased that you have provided budget justifications concurrent with the budget submission this year and that you have provided factsheets for those projects for which you did not budget but were funded in the previous year by Congress.

This is a step in the right direction. However, the costs of not continuing enacted projects should be addressed in your budget proposals.

To ignore them, as you and previous administrations have done and continue to do, is intellectual dishonesty and it keeps Congress and the public "in the dark" about the true costs and needs of your programs.

Finding a new and better prioritization system is not the answer to the problems of consistently underfunding infrastructure.

The only way to address this funding crisis is for the administration to provide more funding for these infrastructure investments.

Also I cannot stress enough that infrastructure spending means jobs, both now and in the future.

The decisions that the administration makes in their budget proposal generally form the basis for the annual spending plan that this subcommittee develops.

However, the subcommittee will have no choice but to make significant changes to the fiscal year 2011 spending plan to rectify some of the inequities in your budget proposal.

I look forward to the witness' testimony and will have some questions at the appropriate time.

SENATOR DORGAN. I want to mention to my colleagues that we have a fair number of senators who will be attending this morning, so what we will do is have seven-minute rounds of questions. Since the FAA reauthorization bill is on the floor of the Senate, which Senator Rockefeller and I are jointly handling, and because before I go to the floor of the Senate, I have to go to the Commerce Committee for a very brief appearance on the Comcast-NBC proposed merger, Senator Tester has agreed to take the chair when I have to depart in about an hour.

I appreciate my colleagues' being here. Senator Bennett, I believe, is stuck in traffic. That's an inelegant thing to say, but not unusual here in Washington, DC. But he's on his way, and when he comes, we will recognize him for an opening statement. What I'd like to do is offer opening statements, if we can make them very brief, to my colleagues. We'll then have the statements by the witnesses and then have ample time for questioning this morning.

Do any of my colleagues wish to make an opening statement?

Senator VOINOVICH. I'd like to.

Senator DORGAN. All right, Senator Voinovich.

STATEMENT OF SENATOR GEORGE V. VOINOVICH

Senator VOINOVICH. Thank you. I thank you for holding this hearing. This is my 2nd year on the Appropriations Committee, but I've been dealing with the Army Corps of Engineers' budget for 12 years, and I still shake my head at the inadequacy of this budget—it has been that way for almost ever—and a backlog of \$60 billion for unfunded Corps projects. The Corps has taken on not only the traditional projects, but now environmental restoration. And, Mr. Chairman, we've tried to figure out some priority or knock some of them off the list. We have never been successful in doing that because nobody wants a project off the list.

I'm particularly concerned about the Great Lakes. The Corps put together recommendations several years ago in terms of what should be done with the Great Lakes. And the fact is that they recommended some \$200 million a year to handle it, and the budget has always been about \$100 million. So, it's half of what's needed to get the job done.

For years, I've raised the issue of urgent needs facing the navigation system on the Great Lakes. Every year, hundreds of millions of tons of goods are transported through the lakes. Waterways and communities throughout the Great Lakes are tied to this travel. The Army Corps of Engineers estimates a backlog of 17 million cubic yards of dredging at commercial Great Lakes harbors and channels. This dredging backlog has been exacerbated by the historic low water levels, but the result is a negative impact on shipping. Several freighters have gotten stuck in Great Lakes channels. Ships have had to carry reduced loads, and some shipments have simply ceased altogether.

So, we benefit from the Great Lakes navigation system. One of the things that I don't understand is that, despite the significant backlog of Corps work, the Harbor Maintenance Trust Fund is approximately a \$4 billion surplus that is growing each year, \$4 billion. And, as we know, the money collected from that fund is intended for a specific use, maintaining harbors and channels; yet, OMB uses the surplus as cost savings. It's another one of those gizmos that you use trust funds to balance the budget.

So, I'm very, very concerned about it, and I think, Secretary Darcy, you know how concerned all of us are from the Great Lakes about something that some people snicker at, but it's these Asian carp. I just want to say that if they get into the Great Lakes, we're talking about losing a \$7 billion fishery. And as the former Mayor of Cleveland and Governor of Ohio and one who has worked to restore the lakes—I call it the second battle of Lake Erie—at this stage in my life, I do not want to see that happen. That is in addition to the fishery. That lake is responsible for recreation and all the other things. And if it goes that direction—we lose the fishery, it's going to have an indirect effect on everything else that happens on the Great Lakes. So, I hope you understand how serious we are about making sure that this doesn't happen.

Thank you, Mr. Chairman.

Senator DORGAN. Senator Bennett.

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you very much, Mr. Chairman. I apologize to you and the other members of the subcommittee for not gauging the traffic properly and not being here on time, but I appreciate the opportunity to comment here. We welcome Secretary Castle and Secretary Darcy and General Van Antwerp and Commissioner Connor.

And, Commissioner Connor, particularly, I want to say welcome to you. You've been very helpful to me over the years when you were on the Senate side of things, and I want to make sure we take this opportunity to acknowledge that.

I also want to recognize that Reed Murray, who is here, with the Central Utah project—that's a project, obviously, very important to my State. And I want to thank Reed for the great things your office is doing for water development in my State. In Utah, water is—the old line “Whiskey is for drinking and water is for fighting.” And maybe we don't drink as much whiskey as some others, but we do fight over water. The other line I've heard is that it's better to be head of the ditch than head of the church, in terms of where you are with respect to water.

Now, I'm not going to reiterate the funding amounts for the various accounts. I agree with the chairman that these agencies are underfunded. My greatest concern with this budget is how it fails to address our Nation's aging infrastructure in an adequate fashion.

Many of the Bureau of Reclamation projects are over 100 years old. The Corps's infrastructure doesn't fare much better. Last summer, we had a canal in Logan, Utah—an irrigation canal—give way. The breach cost the lives of three people in the home beneath the canal, resulted in the destruction of homes and properties throughout the area, and while this is relatively small compared to Bureau and Corps projects, it is a sobering example of what could happen on a larger scale if we fail to protect our infrastructure adequately.

We addressed this issue last year, Mr. Chairman, in the omnibus public lands bill, which both you and I strongly supported, and we put in an aging infrastructure title that would allow the Bureau of Reclamation and water contractors to address these issues in a reasonable manner, and the President's budget includes no funding for this purpose whatsoever.

And I'm also concerned that this cost-share and the authority may be prohibitive for the project partners to afford. We need to continue to work to adequately address these issues before there is a major infrastructure failure.

Now, as I said, the Corps's infrastructure is in not much better shape. Levees constructed 50 or more years ago are not built to current design standards. And as FEMA puts requirements for levee recertification on local communities, it is costing local communities millions of dollars, and, in some cases, the levees that communities have depended upon no longer provide 100-year flood protection, which will mean a triggering of a remapping of the flood plain.

And another area that jumps out at me is the unbalanced focus—in my view, unbalanced—on environmental restoration, which will take up 31 percent of the Corps's construction budget, an allocation that comes at the expense of other projects that are in the traditional water resource missions of the Corps. For example, only 22 percent of the local—total construction budget goes to what the Corps defines as high-performance projects, also known as projects with high benefit-to-cost analysis. The project with the highest benefit-to-cost ratio of 22 to 1—that's the Sacramento River bank protection—received only \$10 million in this budget request. Now, theoretically, that means that, for a \$10 million investment, the Nation would get \$220 million in benefits. And the Everglades restoration project, on the other hand, gets \$180 million in this budget with no cost-benefit ratio listed.

So, \$10 million that, presumably—in actual fact, it doesn't all work out that way, but the analysis is that \$10 million is worth \$220 million, but instead of putting the kind of money that would produce the 22 to 1 ratio, we're saying no; we're only going to starve it—we're going to starve with only \$10 million, but we're going to put \$180 million into the Everglades, for which there is no analysis available.

Now, if the administration is going to underfund our national infrastructure to this extent, there must be a more transparent method of comparing the relative values of these projects so that we know that the taxpayers are not being short-changed. I'm concerned there is no transparency in these decisions. The Corps is using constantly changing criteria in order to accommodate to the annual budget numbers.

Now, Mr. Chairman, there's another issue I think needs to be addressed, and better addressed in this budget, and that's hydropower generation. This administration has made it clear they're strongly in favor of renewable energy, but every time we bring up hydropower as a source of renewable energy, there's dead silence. It's a clean energy source. It's available now. It continues to suffer from underfunding. And this budget, viewed with the 20 percent cut in water power activities in the Department of Energy, makes me wonder about the administration's commitment to all kinds of clean renewable energy or if there is a bias to particular kinds that seem to have constituencies in the political arena, regardless of what the science may say.

Both the Corps and Bureau hydropower plants are experiencing more and more unscheduled outages, and that's a demonstration of a lack of maintenance. And when these plants go down, energy has to be purchased from the market and other sources, and the purchase is almost always from a fossil fuel source. So, it's expensive and disruptive and, ironically, contributes to the use of fossil fuels in many circumstances, even while we're proclaiming that's what we're trying to get away from.

All right, EPAct requires the Secretary of the Interior and the Secretary of the Army and the Secretary of Energy to look at increasing power production at Federal hydro facilities. That's a study that was completed in May 2007. So, we should be moving on that. Reclamation found six sites that could demonstrate both physical and economic conditions sufficient to warrant further ex-

ploration for additional hydropower development. The Corps identified 58 sites on similar criteria, and these are not new dams; these are additional units that could be installed at existing hydropower facilities, and the transmission facilities are already connected to these sites. This is not a wind farm somewhere that's going to require tremendous wiring to get to it. The total capacity is estimated to be 1,230 megawatts. That's enough to serve roughly a million residences.

And there are opportunities to refurbish some facilities with existing hydropower to give us another 1,283 megawatts of generating capacity, and I don't understand why this administration is not pursuing that. This is clean energy without the limitation of the other sources. And to demonstrate that I'm serious about this, I introduced a bill earlier this year to investigate the feasibility of developing 50 megawatts of hydropower from the Diamond Fork Project at the existing dam.

Thank you, Mr. Chairman, for allowing me to raise these concerns, and, again, my apologies to the panel for my tardiness in coming here.

Senator DORGAN. Senator Bennett, thank you.

Before we hear from the witnesses, does anyone else have comments?

Senator TESTER. Yes, just real briefly, Mr. Chairman.

Senator DORGAN. Senator Tester.

STATEMENT OF SENATOR JON TESTER

Senator TESTER. First of all, thank you all for being here. I appreciate the work you do. Both the Bureau and the Corps are in the middle of addressing some aging water infrastructure issues in Montana and, I think, across the country.

That being said, as I look at the budget, there's several projects in Montana, a couple of water projects that the Bureau is working on, that has been cut from \$9 million to \$1 million. These are \$300 million water projects to service rural areas in the north central and northeastern part of the State. And I'm sure when the budget was put together—one was cut from \$9 million to \$1 million; the other was cut from \$8 million to \$2 million. I'm sure when this budget was put together they said, well, you know, there was Recovery Act dollars in one of these projects last year, so we can back them off.

I'll give you an example of one of them. When I first started my service in the State legislature, it was a \$100 million project. It's the same project. Now it's \$300 million. That's a little—that's 12 years ago. It has tripled in cost. What had happened, until we had the Recovery Act moneys, we weren't even keeping up with the cost of inflation with the money we were appropriating to it, and I'm afraid we're going back to that again.

These are important projects, and they need to be finished. In order to be finished, we need to have the resources. The Recovery Act was a blessing for them. And that money has been spent—it's being spent as we speak, and it's doing some great work. I would hope we could go back and address those again.

On the Army Corps side of things, the whole issue around levee certification is interesting as it applies to FEMA's flood insurance

programs. In Montana and in rural America, we have a struggling economy in rural America. It has been that way not just during this recession, but it has been that way for a while. And we've got small communities now that are being saddled with the goal of making sure these levees are safe. They don't have the population to spread out the cost of these expensive certifications, and it is putting them in one heck of a bind because when these don't get certified and the flood insurance rates go through the roof, it further puts them in a difficult situation. I will get into the specifics during my questions when it comes to the levees.

But I would just say we really need to be looking more down the road with our budget. That's what it should be as a sign of where we're going as a country, as far as these infrastructure projects. It has been said here before many of the projects we're dealing with are 100 years old—the Saint Mary's, for example. We need—there's so much work that needs to be done. The dikes and the levees that were built 50–60 years ago—I mean, we've got a lot of things to address. I'm not sure this budget gets it done.

So, with that, I want to thank you, Mr. Chairman.

Senator DORGAN. Anyone else?

Senator LANDRIEU. I'll wait until the questions.

Senator DORGAN. All right. Let me begin with Secretary Darcy. Madam Secretary, thank you for being with us.

I would say to all four witnesses that your full statements will be made a part of the permanent record, and you may summarize.

Secretary Darcy.

STATEMENT OF HON. JO-ELLEN DARCY

Ms. DARCY. Thank you. Mr. Chairman and distinguished members of the subcommittee, thank you for the opportunity to present the President's budget for the Civil Works Program of the Army Corps of Engineers for fiscal year 2011.

The fiscal year 2011 President's budget for the Civil Works Program is \$4.939 billion. The budget supports four principal objectives: funding construction of the highest performing water resources infrastructure investments that will provide the best return from a national perspective; supporting the Nation's navigation network by funding capital development achievable with current revenues; advancing aquatic ecosystem restoration efforts and continuing to meet the requirements of the Endangered Species Act; and emphasizing critical maintenance and operational reliability of the existing civil works infrastructure.

The budget focuses funding primarily on three main civil works program areas: commercial navigation, flood and coastal storm damage reduction, and aquatic ecosystem restoration. The budget supports hydropower, recreation, environmental stewardship, and water supply services at existing water resources projects owned or operated by the Corps. Finally, the budget provides for protection of the Nation's regulated waters and wetlands, cleanup of sites contaminated as a result of the Nation's early efforts to develop atomic weapons, and emergency preparedness and training.

In keeping with President Obama's commitment to limit the overall level of non-security discretionary spending, the level of funding in the 2011 civil works budget is a reduction from both the

2010 budget and the enacted 2010 appropriations. However, the 2011 funding level reflects a practical, effective, and sound use of the Nation's financial resources.

The Army continues to apply objective performance guidelines to many competing civil works construction projects in order to establish priorities among them and to guide the allocation of funds to high-performing ongoing projects and high-performing new construction starts. These guidelines emphasize investments that provide the best return from a national perspective in achieving economic, environmental, and public safety objectives.

The budget includes two construction new starts and several new initiatives. One of the construction new starts is the Louisiana Coastal Area Program, which will provide funding for the construction of projects coming out of the study by the same name, after they have favorably completed administration review. The other construction new start is a non-structural flood damage reduction projection in Onion Creek, Texas.

Within the Operation and Maintenance program, there is funding for a new Global Changes Sustainability program to assess the impacts on civil works projects of climate change, as well as impacts of shifting demographics, changing land use, and changing social values.

Understanding those impacts will enable the Corps to identify operational and other modifications to anticipate and respond to changing requirements to achieve and maintain sustainability.

Last year, the administration proposed legislation for a new user fee to increase revenue to the Inland Waterways Trust Fund, and that proposal remains available for consideration by Congress in support of the 2011 budget. The Army continues to work in partnership with the inland waterway stakeholders to identify priorities and an effective funding stream for inland waterway construction and rehabilitation for the next 20 years, which could be made possible by enactment of a new funding mechanism.

The budget provides \$180 million for the South Florida/Everglades Ecosystem Restoration program. This includes funding for continued construction of five significant restoration projects: Pica-yune Strand, Site One Impoundment, Indian River Lagoon South, Kissimmee River, and the C-111 project.

The budget also supports work on other major ecosystem-wide initiatives, in part through Federal inter-agency working groups headed by the Council on Environmental Quality. The budget includes a total of \$58 million for one such effort, the California Bay Delta restoration.

Within the ongoing Cultural Resources program, \$3 million is included to continue the Veterans Curation Project, which was initially funded through the American Recovery and Reinvestment Act and recently received the annual Chairman's Award from the Advisory Council on Historic Preservation. The Veterans Curation Project supports small curation laboratories in Augusta, Georgia; Saint Louis, Missouri; and Washington, DC—three sites with high populations of recently returning and wounded veterans. The veterans are hired into temporary positions and receive on-the-job training in curation of some of the backlog of archeological and historic properties that have come into the Corps's possession over the

years. This is an innovative approach to supporting returning and disabled veterans of all branches of the military service, with jobs and training in a variety of technical skills with broad applicability while benefiting the Civil Works program. I spoke at the opening of the lab in Augusta, and I was very moved by the stories of how this program has given hope to recovering veterans.

In conclusion, this is a frugal budget that reflects the priorities of a Nation that is both at war and successfully navigating its way out of economic upheaval. While this budget does not fund all of the good things that the Corps of Engineers is capable of doing, it will support very important investments that will yield long-term returns to the Nation's citizens.

PREPARED STATEMENT

Mr. Chairman and members of the subcommittee, I am proud to support the 2011 budget for the Army Civil Works program. Thank you.

Senator DORGAN. Secretary Darcy, thank you very much.
[The statement follows:]

PREPARED STATEMENT OF HON. JO-ELLEN DARCY

Mr. Chairman and distinguished members of the subcommittee, thank you for the opportunity to present the President's budget for the Civil Works Program of the Army Corps of Engineers for fiscal year 2011.

OVERVIEW

The fiscal year 2011 budget supports four principal objectives:

- Focus on the construction of those high performing projects that provide the best return from a national perspective in contributing to the economy, restoring aquatic ecosystems, and reducing risks to human safety;
- Support future capital investments for the inland waterways by proposing that Congress enact a new funding mechanism to raise the revenue needed to meet the authorized 50 percent non-Federal cost-share in a way that is efficient and equitable;
- Advance aquatic ecosystem restoration efforts, including restoration of Florida's Everglades, the California Bay Delta, and the Louisiana coast, as well as continuing to meet the requirements of the Endangered Species Act, particularly in the Columbia River and the Missouri River Basins; and
- Within the O&M program, give priority to investments in the operational reliability, safety, and availability of key existing Civil Works infrastructure.

The budget focuses funding for development and restoration of the Nation's water and related resources within three main Civil Works program areas: commercial navigation, flood and coastal storm damage reduction, and aquatic ecosystem restoration. Additionally, the budget supports hydropower, recreation, environmental stewardship, and water supply services at existing water resources projects owned or operated by the Corps. Finally, the budget provides for protection of the Nation's regulated waters and wetlands; cleanup of sites contaminated as a result of the Nation's early efforts to develop atomic weapons; and emergency preparedness and training. The budget does not fund work that should be the responsibility of non-Federal interests or other Federal agencies, such as wastewater treatment and municipal and industrial water treatment and distribution.

FISCAL YEAR 2011 DISCRETIONARY FUNDING LEVEL

The total new discretionary funding of \$4.939 billion in the fiscal year 2011 budget will keep the Civil Works program moving forward to help revitalize the economy and provide for restoration and stewardship of the environment. The budget also proposes cancellation of the unobligated balance of funding previously provided in the Mississippi River and Tributaries account for construction of the Yazoo Pumps project.

In keeping with President Obama's decision to constrain the overall level of non-security discretionary spending, the level of funding for the Civil Works program in

the 2011 budget is a reduction from both the 2010 budget and the enacted 2010 appropriations. However, the 2011 funding level reflects a practical, effective, and sound use of the Nation's resources and focuses on key investments that are in the best interest of the Nation.

Within the \$4.939 billion total, \$1.69 billion is budgeted for projects in the Construction account, and \$2.361 billion is budgeted for activities funded in the Operation and Maintenance (O&M) account.

The fiscal year 2011 budget also includes \$104 million for Investigations; \$240 million for Flood Control, Mississippi River and Tributaries; \$30 million for Flood Control and Coastal Emergency; \$193 million for the Regulatory Program; \$130 million for the Formerly Utilized Sites Remedial Action Program; \$185 million for the Expenses account; and \$6 million for the Office of the Assistant Secretary for Civil Works.

The fiscal year 2010–2014 Five Year Development Plan (FYDP) was recently provided to the relevant committees of Congress. Projections in the FYDP are formula driven. They do not represent budget decisions or budget policy beyond fiscal year 2010, but they can provide perspective on the Army Civil Works program and budget.

NEW INVESTMENTS IN FISCAL YEAR 2011

The Civil Works budget includes two construction new starts and several other new initiatives in the Investigations and O&M accounts.

In the Construction account, the budget includes \$19 million for a new start for construction of projects under the Louisiana Coastal Area program. These funds will be applied to construct authorized restoration projects with reports that have favorably completed executive branch review. The budget also includes \$10 million to initiate a nonstructural flood damage reduction project at Onion Creek, Lower Colorado River Basin, Texas.

In the Investigations account, two new national efforts are funded: \$2 million for a Water Resources Priorities Study—a high-priority evaluation of the Nation's vulnerability to flooding. The Investigations account also includes \$500,000 for continued support of the revised Principles and Guidelines to direct future planning for water resources projects, including development of detailed planning procedures to implement the revised Principles and Guidelines.

The O&M program includes \$10 million for a new Global Changes Sustainability program to assess the impacts of climate change on Civil Works projects, update drought contingency plans, enhance Federal collaboration, and increase partnerships with non-Federal stakeholders and programs. Understanding those impacts will enable the Corps to identify operational and other modifications to anticipate and respond to climate change. Also included in the O&M account is \$3 million to initiate a Coastal Data Information Program to provide long-term coastal wave observations nationwide, to develop tools for using wave and other data for managing coastal sediments, and to support sustainable coastal and navigation projects under a changing climate.

INLAND WATERWAYS USER FEE PROPOSAL

The fiscal year 2011 budget proposes to allocate \$158.1 million for capital investment (construction, replacement, rehabilitation, and expansion of projects) on the inland waterways, of which \$82.3 million would be derived from the Inland Waterways Trust Fund. Last year, the Army submitted proposed legislation to the Congress on behalf of the administration for a new user fee. That proposal is awaiting action by Congress and is reflected in the fiscal year 2011 budget. In addition, the Army continues to work with the inland waterway stakeholders to explore other possible options to achieve the purposes of this legislative proposal, which are to raise the needed revenue from the commercial users of these waterways and to do so in a way that is efficient and equitable. The administration has shown flexibility and is working to move the process forward. At this point, however, I would like to emphasize that neither the Corps nor the Army supports, or has accepted or endorsed, any particular out-year schedule or funding proposal for the inland waterways, or any alternative to the lock usage fee legislative proposal that Army submitted to Congress in May 2009.

AQUATIC ECOSYSTEM RESTORATION

The budget places priority on aquatic ecosystem restoration and provides \$180 million for the Corps for the South Florida/Everglades ecosystem restoration program. The budget includes funding for continued construction of five significant res-

toration projects in this program: Picayune Strand; Site One Impoundment; Indian River Lagoon South; Kissimmee River, and the C-111 (South Dade) project.

The budget also supports work on other major ecosystem-wide initiatives, such as the \$58 million for Corps' ecosystem restoration and other water resources studies and projects in the California Bay Delta, including: Coyote and Berryessa Creeks; Hamilton Airfield Wetlands Restoration; Napa River Salt Marsh Restoration; Sacramento-San Joaquin Delta Islands and Levees; and Santa Ana River Mainstem, a flood and coastal damage risk reduction construction project.

The budget increases funding by 44 percent over last year's budget for the Lower Columbia River Fish Mitigation project to mitigate the impact of Corps dams on migrating salmon. Nearly \$138 million will be used to construct bypasses, improve fish ladders and for other activities that support salmon habitat. Similarly the budget supports ongoing work on the Missouri Fish and Wildlife Recovery project with \$78 million to construct habitat and connect floodplains that had been degraded, for the benefit of the endangered pallid sturgeon and other species.

ONGOING PRIORITIES IN THE O&M ACCOUNT

Two particular ongoing activities in the O&M account merit special attention. First, the O&M account includes \$15 million for the expansion of the National Levee Inventory database to include available information on levees of other Federal agencies and all of the States. The Corps will work with stakeholders to facilitate their use of the Database for local levee safety programs. In addition, the Corps will continue development of a levee risk screening and classification process.

The budget for the Cultural Resources program in the O&M account is increased to \$5.5 million to include \$3 million to continue the Veterans Curation Project, which received funding in fiscal year 2009 from the American Recovery and Reinvestment Act (ARRA). The Veterans Curation Project temporarily employs and trains wounded and returning veterans in the curation of archeological and historic properties that have come into the Corps' possession over the years as a result of construction at water project sites around the country, thus advancing the Corps' curation program while providing employment and transferrable skills that improve future employment opportunities of the veterans who work in the labs.

PLANNING IMPROVEMENTS AND PERFORMANCE-BASED BUDGETING

Working through the Chief of Engineers, the Army continues to strengthen and improve the planning expertise of the Corps, including greater support for planning Centers of Expertise, better integration of project purposes, and greater reliability of cost estimates and schedules in both planning and programming processes.

The fiscal year 2011 budget continues the Army's commitment to a performance-based approach to budgeting for the Civil Works program. Competing investment opportunities for studies, design, construction, and operation and maintenance were evaluated using multiple metrics. The Army used and will continue to use objective, performance criteria to guide its recommendations on the allocation of funds.

The Army applied objective performance guidelines to establish priorities and guide the allocation of funds to high-performing ongoing construction projects and new construction starts. These guidelines focus on those investments within three main mission areas of the Corps that provide the best return from a national perspective in achieving economic, environmental, and public safety objectives. Similarly, the Army used objective performance criteria to allocate O&M funds in the fiscal year 2011 budget. The O&M criteria consider both the condition of the project and the potential consequences for project performance if the O&M activity were not undertaken in fiscal year 2011.

In fiscal year 2011 the Corps will focus efforts on developing new strategies, along with other Federal agencies and non-Federal project partners, to better manage, protect, and restore the Nation's water and related land resources, including floodplains, flood-prone areas, and related aquatic ecosystems. The Corps also will continue to pursue management reforms that improve project cost and schedule performance to ensure the greatest value from invested resources, while strengthening the accountability and transparency of the way in which taxpayer dollars are being spent.

AMERICAN RECOVERY AND REINVESTMENT ACT

The Corps continues the work funded in the ARRA. The act provided \$4.6 billion for the Civil Works program. That amount includes \$2 billion for Construction; \$2.075 billion for O&M; \$375 million for Mississippi River and Tributaries; \$25 million for Investigations; \$25 million for the Regulatory Program; and \$100 million for the Formerly Used Sites Remedial Action Program. The Corps has allocated ARRA

funds to more than 800 projects in 49 States, the District of Columbia, and Puerto Rico, and has completed 42 projects. The ARRA appropriations for Civil Works will create or maintain direct construction industry jobs and indirect jobs in firms supplying or supporting the construction and the businesses that sell goods and services to these workers and their families.

The ARRA-funded Civil Works projects provide important support to the Nation's small businesses in their economic recovery. Of the more than \$2.8 billion of ARRA funds obligated thus far (62 percent of the total \$4.6 billion), small business awards make up about 74 percent of the total contract actions and account for about 47 percent of the ARRA funds obligated.

Projects that received ARRA funds were selected on the basis of their long-term contribution to the Nation and their readiness for execution within the ARRA time-frame. The wide geographic distribution of ARRA funded projects helps to spread the employment and other benefits across the Nation. Funding also is distributed across Civil Works programs, including inland and coastal navigation, aquatic ecosystem restoration, flood risk management, hydropower, and more.

CONCLUSION

The administration has made rebuilding America's infrastructure a priority. Through resources provided for the Civil Works program in the President's budget for fiscal year 2011, the Army can help achieve this objective and help support the Nation's economy and environment. The Army is committed to applying 21st century technological advances to present day challenges, while protecting and restoring significant ecological resources.

Mr. Chairman, members of the subcommittee, I am proud to present the fiscal year 2011 budget for the Army Civil Works program. I look forward to working with this subcommittee in support of the President's budget. Thank you.

Senator DORGAN. General Van Antwerp.

STATEMENT OF LIEUTENANT GENERAL ROBERT L. VAN ANTWERP, CHIEF OF ENGINEERS

General VAN ANTWERP. Mr. Chairman and distinguished members of the subcommittee—

Senator DORGAN. Would you turn the microphone on, General? And move it just a bit closer?

General VAN ANTWERP. I think my light is on.

Mr. Chairman and distinguished members of the subcommittee, I appreciate your opening comments, Mr. Chairman, about flooding. I might address that very quickly before I talk about the budget.

We've got two areas—your area in North Dakota and another in Pennsylvania—and we're really gearing up right now. Just to give you a little idea, a lot of community involvement and all the Federal agencies, FEMA and everyone else are involved. We inventoried all of our pumps, our sand bags, polyurethane, and all the things that we'll need. I'm happy to report I think we have sufficient resources to fight this, but the early warning projections are for severe flooding. Yesterday, Major General Bill Grisoli who's behind me right here, is our deputy commanding general for civil works and emergency operations, had a total get-together with all of our folks that would be involved in this. And he'll be the first one to go, too, if we need to send him out there. We're honored and understand the concern; we're equally concerned as you are.

This budget is a performance-based budget. It makes the best use of available funds through a focus on projects and activities that provide the highest economic and environmental returns or address significant risk to human safety. The budget has 99 construction projects in it. It includes four in the Mississippi River and Tributaries account. There are 10 dam safety projects, 20 projects

that address significant risks to human safety, and 69 other projects.

The budget supports restoration of nationally and regionally significant aquatic ecosystems, emphasis on the Florida Everglades, Louisiana Coastal Area, and Hamilton Airfield in the San Francisco Bay region. The budget also supports the Columbia River and Missouri River fish projects to support the continued operation of our facilities, multi-use projects, to meet the requirements of the Endangered Species Act.

As soon as the Corps constructs a project, as you might imagine, our attention turns to operation and maintenance. Generally, with periodic maintenance, we can operate these facilities for many, many years. The average age of our 241 locks, by the way, is 58.3 years old.

The budget supports our continued stewardship in this infrastructure by focusing funding on our key infrastructure that has central importance to the Nation.

We support the President's commitment to continued sound development and management of the Nation's water resources.

Domestically, the Corps of Engineers personnel from across the Nation continue to respond to calls for help during national emergencies. The critical work they are doing will reduce the risk of damage from future storms to people and communities of this Nation.

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

I especially would like to recognize the many Corps civilians; we calculated that about 10,000 Corps civilians have deployed either to southeast Louisiana to respond to hurricanes or to Iraq and Afghanistan over the last 10 years. These wonderful, expeditionary—what I will call soldiers—civilians and soldiers provide their engineering expertise, quality construction management, and program and project management to many nations. The Corps of Engineers is actually involved in 34 other countries today.

PREPARED STATEMENT

In closing, I'd like to say the Corps is committed to staying at the leading edge of service to the Nation. We're committed to change that ensures an open, transparent, and performance-based civil works program.

Thank you, Mr. Chairman. I look forward to your questions.

Senator DORGAN. General, thank you very much.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL ROBERT L. VAN ANTWERP

Mr. Chairman and distinguished members of the subcommittee: I am honored to be testifying before your subcommittee today, along with the Assistant Secretary of the Army for Civil Works, the Honorable Jo-Ellen Darcy, on the President's fiscal year 2011 budget for the Civil Works Program of the United States Army Corps of Engineers.

My statement covers the following five topics:

- Summary of fiscal year 2011 Program Budget;
- Investigations Program;
- Construction Program;
- Operation and Maintenance Program; and

—Value of the Civil Works Program to the Nation's Economy and Defense.

SUMMARY OF FISCAL YEAR 2011 PROGRAM BUDGET

Introduction

The fiscal year 2011 Civil Works budget 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 risk 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 Pumps project. The Reimbursed Program funding is projected to involve an additional \$2.5 billion.

Direct Program

The budget reflects the administration's commitment to continued sound development and management of the Nation's water and related land resources. The budget incorporates objective performance-based metrics for the construction program, funds the continued operation of commercial navigation and other water resource infrastructure, provides significant funding for the regulatory program to protect the Nation's waters and wetlands, and supports restoration of significant aquatic ecosystems, with emphasis on the Florida Everglades, Louisiana coast, California Bay-Delta, and Columbia River & Missouri River restoration efforts. Additionally, it emphasizes the basic need to fund emergency preparedness activities for the Corps as part of the regular budget process.

Reimbursed 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 large design and construction 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 service.

Currently, we provide reimbursable support for about 70 other Federal agencies and several State and local governments. Total reimbursement for such work in fiscal year 2011 is projected to be \$2.5 billion. The exact amount will depend on requests from the agencies.

INVESTIGATIONS PROGRAM

The budget for the Investigations program would 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 \$846,000 in the Mississippi River and Tributaries account.

CONSTRUCTION PROGRAM

Within available resources, the goal of the construction program is to produce high value to the Nation by delivering new, or replacing, rehabilitating, or expanding existing, flood damage reduction, environmental restoration, commercial navigation, or hydropower benefits that serve the Nation's water resource needs. Our fiscal year 2011 budget includes \$1.69 billion in discretionary funding in the Construction account and \$85.29 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.

Using objective performance measures, the budget allocates funding to 99 construction projects, including 4 Mississippi River and Tributaries projects, 10 dam safety assurance, seepage control, and static instability correction projects, 20 projects that address a significant risk to human safety, and 69 other projects. This program also includes, for example, significant funding for our efforts in the Columbia River Basin and Missouri River Basin to support the continued operation of Corps of Engineers multi-purpose projects by meeting the requirements of the Endangered Species Act.

Performance measures, which the Corps uses to establish priorities among projects, include the benefit-to-cost ratios for projects with economic outputs; and,

for aquatic ecosystem restoration projects, the extent to which the project cost-effectively contributes to the restoration of a significant aquatic ecosystem. The selection process also gives priority to dam safety assurance, seepage control, static instability correction, and to projects that address a significant risk to human safety. Under each of these criteria, resources are allocated based on performance. This approach significantly improves the realization of benefits to the Nation from the Civil Works construction program and will improve overall program performance by allowing the Nation to realize the benefits of the projects with the best net returns (per dollar invested) sooner.

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 in some cases as infrastructure ages.

The Operation and Maintenance (O&M) program for the fiscal year 2011 budget includes \$2.361 billion, and an additional \$153.864 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 operation and maintenance program supports completed works owned or operated by the Corps of Engineers, including administrative buildings and laboratories. Work to be accomplished includes dredging, repair, aquatic plant control, removal of sunken vessels, monitoring of completed coastal projects, and operation of structures and other facilities, as authorized in the various River and Harbor, Flood Control, and Water Resources Development Acts.

One of the contributions the Civil Works program can make to the Nation is to support and create opportunities for returning and wounded veterans. Through continued funding of the Veterans Curation Project as part of the Cultural Resources program, the Corps can provide such support in ways that directly benefit the Civil Works program by addressing the backlog of historic properties needing curation, while also benefiting returning and wounded veterans.

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

We are privileged to be part of an organization that directly contributes to the President's priorities to secure the homeland and to revitalize the economy.

The way in which we manage our water resources can improve the quality of our citizens' lives. It has affected where and how people live and influenced the development of this country. The country today seeks economic development as well as the protection of environmental values.

Corps of Engineers personnel from across the Nation continue to respond to the call to help during national emergencies, such as hurricanes and the recent earthquake in Haiti. The critical work they are doing reduces the risk of damage to people and communities.

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 providing more cost-effective ways to operate and maintain infrastructure, Civil Works program research and development contributes to the national economy.

The National Defense

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

I also want to recognize the many Corps of Engineers civilians—each of whom is a volunteer—and soldiers who are providing engineering expertise, quality construction management, and program and project management in other nations. The often unsung efforts of these patriotic men and women contribute daily toward this Nation's goals of restoring the economy, security, and quality of life for all.

In Afghanistan, the Corps is spearheading a comprehensive infrastructure program for the Afghan national army, and is also aiding in important 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, Mr. Chairman and members of the subcommittee. This concludes my statement.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

STATEMENT OF ANNE CASTLE, ASSISTANT SECRETARY FOR WATER
AND SCIENCE

Senator DORGAN. Secretary Castle, you may proceed. Thank you for being here.

Ms. CASTLE. Thank you. Good morning, Chairman Dorgan and Senator Bennett and members of the subcommittee. Thanks for the opportunity to be here today in support of the President's 2011 budget for the Bureau of Reclamation and the Central Utah Project Completion Act.

With me is Mike Connor, the Commissioner of Reclamation. And, as Senator Bennett noted, Reed Murray is here, the Director of the Central Utah Project Completion Act Office. He will be here and available if you have any questions about that program.

The Department of the Interior's people and lands and programs touch virtually every American. It's our job to protect natural resources and our country's cultural heritage, and we have trust responsibility for all American Indians and Native Alaskans. We truly are the Department of America.

The Department's 2011 budget focuses on six priorities: implementing a new energy frontier, climate change adaptation, tackling our country's water challenges, protecting our treasured landscapes, empowering Native American communities, and engaging our youth in natural resources.

I'm going to focus today on one of the programs that seeks to tackle our water challenges, and that's our new WaterSMART program. That project was launched just 2 weeks ago, and it implements a sustainable water strategy for the Department of the Interior. WaterSMART stands for Sustain and Manage America's Resources for Tomorrow. And we're doing it; we're implementing that program because we simply have to focus on a sustainable water strategy for this country. Our water supply-and-demand equation is out of balance, and we need a national commitment to address that imbalance. We have the imbalance because of a variety of factors—population growth, climate change impacts on water supplies, increased recognition of the need for water for ecosystem sustainability, and increased need for water because of increased domestic energy production.

The WaterSMART program is designed to help correct that supply-and-demand imbalance. The program includes coordination of the water sustainability and conservation efforts of all the agencies within the Department of the Interior and also of our Federal and State and private partners, and that includes a focus on the energy-water nexus, so that we'll recognize the water demands of different types of energy development projects and take those into ac-

count and also recognize the opportunities for saving energy through water conservation.

We'll have an Internet-based clearinghouse for best practices and incentives and the most cost-effective conservation and recycling technologies. We'll coordinate with the Department of the Interior's climate change programs, and we have a water footprint reduction program for Interior facilities that will achieve the President's goal of reducing overall water consumption within the Federal agencies.

The 2011 budget request includes \$72.9 million for the WaterSMART program. That's an increase of over \$36 million over 2010 for those various different component programs. Sixty-two million is for the Bureau of Reclamation's WaterSMART programs, and those include its basin studies, West-wide water risk assessments, and its cost-share grant programs for water efficiency and water recycling and reuse projects.

Another \$10.9 million funds the USGS water availability and use assessment. That was what we have known as the Water Census, and that program implements the provisions of the Secure Water Act in Public Law 111-11.

The overall budget request for the Bureau of Reclamation is \$1.02 billion. Commissioner Connor will be discussing the details of the Reclamation request, but I'll just emphasize that this budget proposal is designed to promote reliable and sustainable water supplies, and provide them in an economically and environmentally sound manner.

The 2011 budget request for the Central Utah Project Completion Act is \$43 million. That's \$1 million more than in 2010. That funding provides for the continued design and construction of the Utah Lake system, and it also increases the funding for mitigation and conservation projects.

This 2011 Interior budget represents our best effort to work within the tough economic times that are facing our country, to do our part to reduce the spending deficit but still implement the core mission and the priorities of the Department.

PREPARED STATEMENT

I'd like to express my appreciation for the very strong support that this subcommittee has shown for both the Bureau of Reclamation and the Central Utah Project. And I'd be happy to answer any questions.

Senator DORGAN. Thank you very much.
[The statement follows:]

PREPARED STATEMENT OF ANNE CASTLE

Mr. Chairman, Mr. Bennett, and members of this subcommittee, I am pleased to appear before this subcommittee today to discuss the President's fiscal year 2011 budget for the Department of the Interior and to update you on progress in implementing our fiscal year 2010 programs.

The Department of the Interior's mission is complex and multifaceted. Our programs and mission stretch from the North Pole to the South Pole and across 12 time zones, from the Caribbean to the Pacific Rim. Our extensive mandate rivals any Government agency in its breadth and diversity—and its importance to the everyday lives of Americans.

Interior manages 500 million acres or about 1 in every 5 acres in the United States, including 392 national park units, 551 wildlife refuges, the 27 million-acre National Landscape Conservation System, and other public lands. These places are

treasured landscapes and serve as economic engines for tourism and growth opportunities for recreation, wildlife conservation, and responsible resource use.

The Department's public lands and 1.7 billion acres on the Outer Continental Shelf supply nearly one-third of the Nation's domestic energy production. These resources are vital to the Nation's energy security and provide economic returns to the Nation. In fiscal year 2011, an estimated \$14.0 billion in revenues will be generated from these lands and waters.

The Department fulfills its special responsibilities to Native Americans managing one of the largest land trusts in the world including over 55 million acres held in trust for Indian Tribes and individual Indians, over \$3.6 billion of funds held in over 2,700 tribal trust accounts, and over 380,000 open individual Indian Money accounts. The Bureau of Indian Education school system provides services to approximately 42,000 students in 23 States attending 183 elementary and secondary schools and dormitories, and supports 30 tribally controlled community colleges, universities, and post-secondary schools.

THE FIRST YEAR

In January 2010, President Obama and Secretary Salazar marked their first anniversary by recognizing the achievements of Interior's 70,000 employees, including:

- Restoring the Everglades—beginning construction of the 1-mile bridge on the Tamiami Trail and breaking ground on the Picayune Strand Restoration project in the Everglades in Florida—to restore water flows and revive 55,000 acres of wetlands for wildlife habitat;
- Negotiating a settlement of the long-running and highly contentious *Cobell v. Salazar* class-action lawsuit—resolving trust accounting and management issues after 14 years;
- Advancing renewable energy development—establishing renewable energy coordination offices in four States and teams in six States to facilitate renewable energy production on public lands and issuing four exploratory leases for renewable wind energy production on the OCS;
- Moving forward to invest \$3.0 billion available from the American Reinvestment and Recovery Act in facility renovation and energy efficiencies, habitat restoration, increasing water supplies and water conservation, supporting renewable energy development, and reducing human hazards;
- Restoring confidence and accountability in our energy programs by beginning an orderly termination of the Royalty-in-Kind program and reforming the management of onshore oil and gas resources;
- Coming to the aid of drought-stricken California with emergency aid and infrastructure investments;
- Expanding opportunities for youth—employing 8,200 young adults in 2009;
- Opening the crown of the Statue of Liberty for public access—the crown has been closed to the public since 9/11;
- Ending a stalemate at the Flight 93 National Memorial—completing the acquisition of land in cooperation with willing sellers and clearing the way for construction of a memorial to honor the Nation's heroes;
- Delisting the brown pelican—a case of complete recovery for a species that was first listed as endangered in 1970;
- Increasing transparency—reversing and withdrawing flawed oil and gas leases with potential impacts to national parks in Utah and oil shale research, development, and demonstration leases that may have shortchanged taxpayers; and
- Helping to negotiate a collaborative solution that would end decades of conflict and potentially allow for the restoration of the Klamath River Basin in California and Oregon.

OVERVIEW OF THE FISCAL YEAR 2011 BUDGET

Interior's 2011 budget reflects an aggressive agenda in the context of challenging fiscal times. The 2011 Interior budget request for current appropriations is \$12.2 billion. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$5.8 billion, for budget authority totaling \$18.0 billion for Interior in 2011.

The request for the Bureau of Reclamation and the Central Utah Project Completion Act, funded under the jurisdiction of this subcommittee, is \$1.1 billion. The fiscal year 2010 Reclamation discretionary budget request is \$1.02 billion in current appropriations and the request for the Central Utah Project is \$43.0 million.

CLIMATE CHANGE ADAPTATION

Resource managers consider climate change to be the single most challenging issue they face. In order to equip them with the tools and strategies they need, Interior's Climate Change Adaptation initiative will investigate the causes and formulate solutions to mitigate climate impacts to lands, waters, natural and cultural resources. As the pre-eminent manager of lands and resources, Interior will leverage its experience and expertise in partnership with other governmental and non-governmental entities. Interior's Climate Science Centers and Landscape Conservation Cooperatives (LCC) will conduct and communicate research and monitoring to improve understanding and forecasting for those natural and cultural heritage resources that are most vulnerable to climate change impacts.

The Department's High Priority Performance Goal for Climate Change Adaptation is to identify areas and species most vulnerable to climate change and begin implementing comprehensive adaptation strategies by the end of 2011. Beginning with the 2011 budget, Reclamation will identify dedicated climate change funding, including an increase of \$3.0 million for its Basin Studies Program. Through the Basin Studies Program, Reclamation will work with State and local partners to analyze the impacts of climate change on water and power operations throughout basins in the Western States, and will identify options to mitigate or adapt to those impacts.

WATERSMART

The 2011 budget proposes a sustainable water strategy to assist local communities to stretch water supplies and improve water management. A High Priority Performance Goal is established to increase water supply for agricultural, municipal, industrial, and environmental uses in the western United States up to 350,000 acre-feet by the end of 2011 through conservation programs including water reuse and recycling and WaterSMART (formerly Challenge) grants.

The budget for the WaterSMART program—Sustain and Manage America's Resources for Tomorrow—includes \$72.9 million, an increase of \$36.4 million over the 2010 enacted level for sustainability programs in Reclamation and USGS. Reclamation will use \$62.0 million, an increase of \$27.4 million, to improve water management by encouraging voluntary water banks; reducing demand; implementing water conservation and water reclamation and reuse projects; and taking action to improve energy efficiency and reduce environmental conflicts. The USGS will use \$10.9 million, an increase of \$9.0 million, for a multi-year, nationwide water availability and use assessment program.

TREASURED LANDSCAPES

The 2011 budget includes funding for an increased effort by Reclamation to conduct studies, projects, and other efforts in the California Bay-Delta. These activities will support the December 22, 2009 Bay-Delta Interim Action Plan, investing in short and long-term actions for sustainable water and ecosystem restoration. This request will fund habitat restoration efforts, the development of fish screens and fish ladders, efforts to eradicate or mitigate invasive species, various water quality and quantity studies and assessments, and other efforts.

SUPPORTING TRIBAL NATIONS

The 2011 budget for Reclamation contains funding in support of tribal nations through projects such as the Animas-La Plata project to continue implementation of the Colorado Ute Settlement Act and funding for the Navajo-Gallup Water Supply project.

CONCLUSION

Thank you for the opportunity to testify on behalf of the President's fiscal year 2011 budget request for the Department of the Interior. I want to reiterate my appreciation for the long-standing support of this subcommittee. Our fiscal year 2011 budget will—in its entirety—make a dramatic difference for the American people. We have a tremendous opportunity to improve the future for our children and grandchildren with wise investments in clean energy, climate impacts, treasured landscapes, our youth, and the empowerment of tribal nations. This concludes my overview of the fiscal year 2011 budget proposal for the Department of the Interior. I am happy to answer any questions that you may have.

Senator DORGAN. Commissioner Connor.

STATEMENT OF MICHAEL L. CONNOR, COMMISSIONER

Commissioner CONNOR. Yes, sir. Thank you, Chairman Dorgan, Senator Bennett, and members of the subcommittee, for the opportunity to discuss the Bureau of Reclamation's 2011 budget.

With me today is Bob Wolf, who is the Director of our Program and Budget Office at the Bureau of Reclamation.

As noted by Secretary Castle, the fiscal year 2011 discretionary request for Reclamation is \$1.02 billion. Overall, the budget reflects a set of wide-ranging activities and initiatives that support Reclamation's mission. According to a recent departmental economic analysis, Reclamation's mission is to supply water, generate power, and provide recreation opportunities to millions of Americans. It supports over 260,000 jobs on an annual basis and \$39.5 billion in economic activity.

At its core, however, the goal of Reclamation's budget is simply to promote certainty and sustainability in the use of limited water resources, whether it is for agricultural, municipal, industrial, environmental, or power-generation purposes. Certainty and sustainability require Reclamation to take action on many fronts, and our budget proposal was developed with that principle in mind. Through these efforts, we believe we can continue to provide the economic benefits I just described.

Secretary Castle identified six priorities that are focal points of the Department's fiscal year 2011 budget. Very briefly, I want to speak about several of those items.

The first is tackling the Nation's water challenges and the New Energy Frontier. Addressing water challenges and energy needs starts with operating, maintaining, and improving the condition of our existing facilities. Accordingly, the 2011 budget requests a total \$424 million for facility operations, maintenance, and rehabilitation activities. This amount represents almost one-half—46 percent—of the Water and Related Resources account. The remaining balance of that account is used for water, energy, land, and fish and wildlife resource management activities, which amount to \$490 million in total, or 54 percent of the remaining part of the Water and Related Resources account.

Included within this \$490 million allocation is the WaterSMART program that was just described in detail. As noted, WaterSMART includes a specific focus on energy-water issues. In addition to promoting energy efficiency through water conservation, Reclamation will be working with our numerous partners to facilitate new renewable energy generation development in association with Reclamation facilities and its operations.

CLIMATE CHANGE ADAPTATION

In the area of climate change, Reclamation will do its part to assist the Department in implementing an integrated strategy to better understand and respond to climate change impacts on water and associated resources.

As identified in our budget documents, the Department will be establishing Climate Science Centers (CSCs), Landscape Conservation Cooperatives (LCCs), and a Climate Effects Network. Reclamation's 2011 budget includes an increase of \$3 million for Reclamation's Basin Studies program to implement West-wide risk assess-

ments and to establish two LCCs. Reclamation's Science and Technology program will also devote \$4 million in support of the science agenda being carried out by the Climate Science Centers. This funding represents a critical investment that will help our stakeholders better understand and plan for a future impacted by increasing temperatures.

TREASURED LANDSCAPES AND RESTORING RIVERS

Protecting the Nation's treasured landscapes is another departmental priority, and it is imperative that Reclamation do its share. First, maintaining our ability to deliver water and generate power requires protecting and restoring the aquatic and riparian environments affected by our operations. Beyond that, restoring the health of our rivers will help avoid future conflicts and provide more flexibility in addressing the challenges presented by drought, increasing populations, increasing energy demand, environmental needs, depleted aquifers, and a changing climate. Included within the Restoring Rivers program are our endangered species recovery programs, which are an increasing part of Reclamation's budget.

SUPPORTING TRIBAL NATIONS

The final priority I want to briefly discuss is Reclamation's support for tribal nations. The 2011 budget continues this support through our ongoing efforts to implement Indian water rights settlements. Included in the request is \$12.5 million in support of the Animas-La Plata project and the Shiprock Pipeline, which are the critical items in the Colorado Ute Settlement Act amendments. Those are anticipated to be completed in 2013.

The request also includes \$10 million for the Navajo-Gallup Water Supply Project, a key element of the Navajo Nation Water Rights Settlement in the San Juan River basin in New Mexico.

There's also \$4 million for the Soboba Water Rights Settlement to complete funding for the United States' share of constructing, operating, and maintaining the basin recharge project that's central to that settlement.

And outside settlements, Reclamation is addressing tribal needs through its rural water program. Sixty-two million dollars is requested for this program to continue the construction of authorized rural water projects, several of which benefit tribal nations in the Great Plains and Upper Colorado River regions.

Mr. Chairman, please allow me to express my sincere appreciation for the continued support that this subcommittee has provided the Bureau of Reclamation. I stand ready to answer questions at the appropriate time.

[The statement follows:]

PREPARED STATEMENT OF MICHAEL L. CONNOR

Thank you, Mr. Chairman, Mr. Bennett and members of the subcommittee, for the opportunity to discuss with you the President's fiscal year 2011 budget request for the Bureau of Reclamation. With me today is Bob Wolf, Director of Program and Budget.

I appreciate the time and consideration this subcommittee gives to reviewing and understanding Reclamation's budget and its support for the program. Reclamation works hard to prioritize and define our program in a manner that serves the best interest of the public who rely on Reclamation for their water and power.

Our fiscal year 2011 request continues support for activities that deliver water and generate hydropower, consistent with applicable State and Federal law, in an environmentally responsible and cost-effective manner.

The budget continues to emphasize working smarter to address the water needs of a growing population in an environmentally responsible and cost-efficient manner; and assisting States, tribes, and local entities in solving contemporary water resource challenges. It also emphasizes the operation and maintenance of Reclamation facilities in a safe, efficient, economic, and reliable manner; assuring systems and safety measures are in place to protect the public and Reclamation facilities. Funding for each project or program within Reclamation's request is based upon administration, departmental, and Bureau priorities. Key focus areas include Water Conservation, Climate Change Adaptation and Renewable Energy, Restoring Rivers, and supporting tribal nations.

Reclamation's 2011 budget request is \$1.1 billion, which includes \$49.9 million for the Central Valley Project Restoration Fund (CVPRF). This request is offset by discretionary receipts in the CVPRF, estimated to be \$49.6 million. The request for permanent appropriations in 2011 totals \$167.0 million.

WATER AND RELATED RESOURCES

The 2011 budget request for Water and Related Resources, Reclamation's principal operating account, is \$913.6 million. The request includes a total of \$489.9 million for water and energy, land, and fish and wildlife resource management and development activities. Funding in these activities provides for planning, construction, water conservation activities, management of Reclamation lands including recreation, and actions to address the impacts of Reclamation projects on fish and wildlife.

The request also provides a total of \$423.7 million for facility operations, maintenance, and rehabilitation activities. Providing adequate funding for these activities continues to be one of Reclamation's highest priorities. The Bureau continues to work closely with water users and other stakeholders to ensure that available funds are used effectively. These funds are used to allow the timely and effective delivery of project benefits; ensure the reliability and operational readiness of Reclamation's dams, reservoirs, power plants, and distribution systems; and identify, plan, and implement dam safety corrective actions and site security improvements.

HIGHLIGHTS OF THE FISCAL YEAR 2011 REQUEST FOR WATER AND RELATED RESOURCES

I would like to share with the subcommittee several highlights of the Reclamation budget including an update on the WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program and Interior's establishment of a High Priority Performance Goal target to enable capability to increase available water supply for agricultural, municipal, industrial and environmental uses in the western United States by 350,000 acre-feet by the end of 2011.

WaterSMART Program.—The request focuses resources on the Department of the Interior's WaterSMART program. The program concentrates on expanding and stretching limited water supplies in the West to reduce conflict, facilitate solutions to complex water issues, and to meet the growing needs of expanding municipalities, the environment, and agriculture. The U.S. Geological Survey is a partner in WaterSMART.

The Department plays an important role in providing leadership and assistance to States, tribes, and local communities to address these competing demands for water and to be more energy efficient in the operations of its facilities. Reclamation is proposing to increase its share of the WaterSMART Program by \$27.4 million over the fiscal year 2010 enacted level for total funding of \$62.0 million. The three ongoing programs include: the WaterSMART (formerly the Challenge) grant program funded at \$27.0 million; the Basin Study program funded at \$6.0 million; and the title XVI Water Reclamation and Reuse program funded at \$29.0 million. Through these programs, Reclamation will provide competitive grants for water marketing and conservation projects; implement basin-wide planning studies that will help identify the impacts of climate change, identify potential adaptation measures and address comprehensive water supply and demand in the West; and continue funding of water reuse and recycling projects.

Other Significant Programs and Highlights Include

Climate Change Adaptation and Renewable Energy.—The Department is implementing an integrated strategy for responding to climate change impacts on the resources managed by the Department, through the establishment of DOI Climate Science Centers (CSC), Landscape Conservation Cooperatives (LCC) and a Climate

Effects Network. The 2011 budget requests an increase of \$3.0 million for use with Reclamation's Basin Studies program for total funding of \$6.0 million to implement West-wide climate change risk assessments. Reclamation will take the lead to coordinate work at two LCCs. Reclamation's Science and Technology program will devote \$4.0 million to support scientific work through the Department's CSCs. Reclamation is also assessing and implementing new renewable energy generation development in association with Reclamation facilities in cooperation with other Federal and State agencies, water users, and private sector entities through its Power Program Service program.

Restoring Rivers.—In order to best maintain Reclamation's ability to meet its core mission goals of delivering water and generating hydropower, a growing part of its mission must focus on the protection and restoration of the aquatic and riparian environments influenced by its operations. This growing focus area will help Reclamation better balance its environmental mission with its role as a water supplier and power generator, thus better positioning Reclamation to address the ongoing challenges presented by drought, climate change, increasing populations, the growing water demand associated with energy generation, and environmental needs. Reclamation's Restoring Rivers agenda involves a large number of activities, including its Endangered Species Act recovery programs.

The 2011 request provides \$171.7 million for operating, managing and improving California's Central Valley Project. This amount includes \$39.9 million for the CVP, Sacramento River Division, Red Bluff pumping plant, which will be constructed to facilitate passage for threatened fish species, as well as providing water deliveries. The American Recovery and Reinvestment Act of 2009 also provided \$109.8 million for the Red Bluff pumping plant. The funding for CVP also includes \$11.8 million for the Trinity River Restoration program that includes development of a comprehensive monitoring and adaptive management program for fishery restoration and construction of channel rehabilitation projects at various sites along the Trinity River. This request includes \$21.7 million for the CVP Replacements, Additions, and Extraordinary Maintenance program, for modernization, upgrade, and refurbishment of facilities throughout the Central Valley.

The request includes \$25.3 million for Lower Colorado River Operations to fulfill the role of the Secretary as water master for the Lower Colorado River. The request provides funding for management and oversight of both the annual and long-range operating criteria for Colorado River reservoirs; water contract administration; and implementation of the Lower Colorado River Multi-Species Conservation program. The Bureau of Reclamation remains committed to maximizing efficient ways to deliver water under its contracts and to conserve water for multiple uses, including endangered species protection.

The budget requests \$23.7 million for Endangered Species Act Recovery Implementation programs. The request includes \$12.7 million in the Great Plains Region to implement the Platte River Endangered Species Recovery Implementation program, based upon approval of the program by the Secretary and the Governors of Colorado, Nebraska, and Wyoming in late 2006 and authorized by the Consolidated Natural Resources Act of 2008. Implementation of this program provides measures to help recover four endangered or threatened species, thereby enabling existing water projects in the Platte River Basin to continue operations, as well as allowing new water projects to be developed in compliance with the Endangered Species Act. It also provides an increase of \$4.9 million for a total of \$8.4 million for the Upper Colorado River Endangered Fish Recovery program, which was established in January 1988, to provide habitat management, development and maintenance; augmentation and conservation of genetic integrity; and conservation of other aquatic and terrestrial endangered species. The increase will fund construction of a system that automates canal operations to conserve and redirect water for instream flows.

The Klamath project request is \$22.5 million and includes funds for studies and initiatives related to improving water supplies to meet the competing demands of agricultural, tribal, wildlife refuge, and environmental needs. Key areas of focus include continuing a water bank; making improvements in fish passage and habitat; taking actions to improve water quality; developing a basin-wide recovery plan; increasing surface and groundwater supplies; and continuing coordination of Reclamation's Conservation Improvement program.

The Klamath Dam Removal and Sedimentation Studies are being conducted as a result of negotiations initiated in 2005 and completed in 2010 regarding restoration of the Klamath River. Study results will be used to inform a Secretarial Determination to decide if removing PacifiCorp's four dams on the Lower Klamath River is in the public interest and advances restoration of the Klamath River fisheries. The Reclamation request includes \$5.0 million to further assess the costs and benefits of removing the dams. The Fish and Wildlife Service, funded under the Interior, En-

vironment, and Related Agencies appropriations subcommittee, also has \$2.0 million in its request to support these studies.

The Middle Rio Grande project request is \$25.1 million and will continue funding of endangered species activities and Reclamation's participation in the Middle Rio Grande Endangered Species Act Collaborative program. Funding of the repair of priority river levee maintenance sites is also included.

The Yakima River Basin Water Enhancement Project request is \$12.4 million, which will continue funding grants to Benton and Roza Irrigation Districts and Sunnyside Division Board of Control, to implement conservation measures and monitor the effects of those measures on the river diversions.

Supporting Tribal Nations.—The fiscal year 2011 Reclamation budget supports tribal nations through a number of projects. The request includes \$12.5 million for the Animas-La Plata project to continue implementation of the Colorado Ute Settlement Act. Project completion is anticipated in 2013, and 2011 funding will provide for directional drilling and pipeline construction on the Navajo Nation Municipal Pipeline and the continued filling of Lake Nighthorse.

The request includes \$10.0 million for the Navajo-Gallup Water Supply Project, a key element of the Navajo Nation Water Rights Settlement on the San Juan River in New Mexico. The project will provide a reliable and sustainable municipal, industrial, and domestic water supply from the San Juan River to 43 Chapters of the Navajo Nation.

The request includes \$4.0 million for the Soboba Water Rights Settlement Project to complete funding for the payment or reimbursement for constructing, operating, and maintaining the portion of the basin recharge project that the United States is responsible for under the Settlement Agreement.

The 2011 Reclamation budget requests \$62.0 million for on-going authorized rural water projects. The projects that benefit tribal nations include Mni Wiconi, the rural water component of the Garrison Diversion Unit; Fort Peck Reservation/Dry Prairie; Jicarilla Apache Reservation; and Rocky Boys/North Central Montana. Other rural water projects include Perkins County and Lewis and Clark.

Safety of Dams.—A total of \$95.2 million is requested for Reclamation's Safety of Dams program, which includes \$45.0 million directed to dam safety issues at Folsom Dam. Funding also includes \$29.3 million to initiate other safety correction activities and \$19.0 million for safety evaluations of existing dams. This includes \$1.9 million to oversee the Interior Department's Safety of Dams program.

A total of \$30.3 million is requested for Site Security to ensure the safety and security of the public, Reclamation's employees, and key facilities. This funding includes \$9.2 million for physical security upgrades at high risk critical assets and \$21.1 million to continue all aspects of Bureauwide security efforts including law enforcement, risk and threat analysis, personnel security, information security, security risk assessments and security-related studies, and guards and patrols.

Section 513 of the Consolidated Natural Resources Act of 2008 includes provisions for the treatment of Reclamation site security costs. Under these provisions, Reclamation will collect approximately \$20.0 million, as indexed for inflation, in security-related operation and maintenance costs that are reimbursable under Reclamation law. Approximately 60 percent of this amount is reimbursable through up-front revenues. Approximately 40 percent of this amount is appropriated and then reimbursed to projects through the normal operations and maintenance cost allocation process.

POLICY AND ADMINISTRATION

The \$61.2 million request in fiscal year 2011 funds the development, evaluation, and implementation of Reclamation-wide policy, rules, and regulations, including actions under the Government Performance and Results Act. These funds are also used for management and performance functions that are not chargeable to specific projects and required for ongoing Commissioner's activities.

CENTRAL VALLEY PROJECT RESTORATION FUND

The 2011 budget includes a request of \$49.9 million for the CVPRF. This budget request is offset by collections estimated at \$49.6 million from mitigation and restoration charges authorized by the Central Valley Project Improvement Act. The San Joaquin River Restoration Fund section below describes the impact that the San Joaquin River Restoration Settlement Act has on the CVPRF.

The 2011 program funds a variety of activities to restore fish and wildlife habitat and populations in the CVP service area of California, including: acquiring water for anadromous fish and other environmental purposes; providing for long-term water deliveries to wildlife refuges; continuing the anadromous fish restoration pro-

gram with the goal of doubling their natural production; monitoring the effectiveness of restoration actions; acquiring fee title or conservation easements to facilitate better management; restoring land to improve wildlife habitat, conserve water, and reduce drainage; and continuing funding for fish screens on diversions along the Sacramento River.

SAN JOAQUIN RIVER RESTORATION FUND

While there is a \$72.1 million request for discretionary appropriations in fiscal year 2011, receipts will be used, as authorized by the 2009 San Joaquin River Restoration Act, to implement terms of the settlement of the litigation. Funding in fiscal year 2011 will be used to continue planning, engineering, environmental compliance, fishery management, water operations, and public involvement activities.

CALIFORNIA BAY-DELTA RESTORATION FUND

The budget requests \$40.0 million for the California Bay-Delta Restoration Fund, pursuant to the CALFED Bay-Delta Authorization Act that was signed into law on October 25, 2004. The legislation provides a 6 year Federal authorization to implement the collaborative Bay-Delta program. Authorities authorized by the Water Supply, Reliability, and Environmental Act were extended until 2014, by the Energy and Water Development and Related Agencies Appropriations Act, 2010. A consortium of Federal and State agencies fund and participate in the Bay-Delta program, focusing on the health of the ecosystem and improving water management and supplies. In addition, Bay-Delta activities address the issues of water supply reliability, aging levees, and threatened water quality.

Funding for Bay-Delta is requested in the amount of \$40.0 million for the following program areas: \$5.0 million for water storage studies; \$3.5 million for the conveyance program; \$7.5 million for water use efficiency; \$8.5 million for the science program; \$5.0 million for water quality assurance investigations; \$8.5 million for ecosystem restoration projects; and \$2.0 million for Reclamation's oversight function to ensure program balance and integration.

FISCAL YEAR 2011 PLANNED ACTIVITIES

Reclamation's fiscal year 2011 priority goals are directly related to fulfilling contractual requests to deliver water and power. These include addressing a range of other water supply needs in the West, playing a significant role in restoring and protecting freshwater ecosystems consistent with applicable State and Federal law, and enhancing management of our water infrastructure while mitigating for any harmful environmental effects. Reclamation will deliver roughly 28 million acre-feet of water to meet contractual obligations while addressing other resource needs (for example, fish and wildlife habitat, environmental enhancement, recreation, and Native American trust responsibilities).

Reclamation will maintain dams and associated facilities in good condition to ensure the reliable delivery of water. Reclamation will maintain a forced outage average of 2.20 that is lower than the industry average for similar units to ensure reliable delivery of power. Reclamation has set a goal to prevent an additional 12,700 tons of salt from entering the water ways in fiscal year 2011. The actions Reclamation will take to accomplish this goal include selecting new salinity control projects through a competitive process.

Moreover, the fiscal year 2011 budget request demonstrates Reclamation's commitment to meeting the water and power needs of the West in a fiscally responsible manner. This budget continues Reclamation's emphasis on managing those valuable public resources. Reclamation is committed to working with its customers, States, tribes, and other stakeholders to find ways to balance and provide for the mix of water resource needs in 2011 and beyond.

CONCLUSION

Mr. Chairman, please allow me to express my sincere appreciation for the continued support that this subcommittee has provided Reclamation. This completes my statement. I would be happy to answer any questions that you may have at this time.

SENATOR DORGAN. Mr. Connor, thank you very much. We appreciate that.

Senator Harkin has asked for the privilege of asking a single question in order that he may chair a hearing at 10 o'clock, and

if there's no objection on the subcommittee, I would honor that request.

Senator Harkin.

CEDAR RAPIDS FLOODING

Senator HARKIN. Thank you very much, Mr. Chairman, and I appreciate the indulgence of the subcommittee.

I just have one question for Secretary Darcy. Cedar Rapids, the second largest city in Iowa, suffered a major flood, as you know, in 2008. It was broadcast all over the world. We saw houses floating down the river. It destroyed a great part of downtown Cedar Rapids. Over 5,000 homes were destroyed. The water was higher than even 1,000-year floods. It was the highest ever, ever on record. The Rock Island District is now working on the feasibility of doing a flood control project involved—improving Cedar Rapids' ability to withstand future floods.

Here's the problem, some parts of that project may meet the traditional requirements of the cost-benefit ratio. That would be improvements on the east side of the river that protects most of downtown and another part that protects some industries, Quaker Oats being the major one.

But it looks unlikely that the traditional cost-benefit analysis would be positive for the west side of the river. Well, on the west side of the river, we have over 4,000 homes of moderate- to low-income people. Many of them were damaged in the flood, and what happens—these are families of modest means. If the project moves on the west side of the river, you can then see that the west side may experience a worse flood in various scenarios because the east side would be protected.

I was pleased to see the December 3, 2009 proposed national objectives, principles, and standards for related resources draft. It looks at non-monetary fix, such as community impacts on groups such as those with lower incomes and the effects on the economy of the area.

So, I think it's extremely difficult to move forward with only protecting the higher income and the downtown areas, while increasing—actually increasing—the flood risk to those with lower incomes, modest incomes, on the other side of the river. The traditional national economic analysis just simply does not take these considerations into effect and also what it would mean economically for that side of the river, in terms of businesses and things like that, that simply wouldn't go there.

My question is—I just want to get your views on the need to move forward with a project that is crucial and whether or not it would be appropriate to consider these other concerns for a project like this.

Ms. DARCY. Your reference to the Principles and Guidelines being drafted is exactly what that's designed to do. Traditionally, we have only looked at national economic benefits when considering water resources projects. With the new Principles and Guidelines, we are looking at more than just the economic impact; we're looking at the environmental impact, the impact to the community as well as to other impacts, including social values. With the new

Principles and Guidelines, we'll get at exactly the concern that you have in your study.

Senator HARKIN. Thank you.

Senator DORGAN. Thank you, Senator Harkin.

For the information of members who weren't here when I began, I indicated that I have to leave at 10 o'clock. We have the FAA bill on the floor, and I also have to be at a Commerce Comcast-NBC merger hearing ever so briefly. So, Senator Tester will take the chair at 10 o'clock.

EFFECT OF PROPOSED BUDGET ON AUTHORIZED BUT UNFUNDED
PROJECTS

Let me ask a couple of questions. Secretary Darcy, again, I understand your role, and that is to support this budget and not vary even one degree if you can avoid it, but it seems to me that we have \$67 billion of authorized unfunded Corps projects. Some of them will never be built, but we guess that somewhere around \$20–25 billion of those projects are going to be built. They are authorized, but at the current level of funding, it will take a long, long, long time to build and invest in that infrastructure. It just seems to me that a reduction of nearly one-half a billion dollars in fiscal year 2011 in investment in Corps water projects is not going to be able to do what we need to do to invest in these infrastructure projects. What is your judgment about that?

Ms. DARCY. Senator, we can always use more money, but we are going to make the best investments with the dollars that we have, not only for the infrastructure but for the entire Corps mission and the Corps program. We have a lot of challenges. We have many unmet needs. The infrastructure in this country, we all know, is aging. But within the dollars that we have proposed in this budget, I think that we are going to do the best we can with the high-performing projects that we are going to be able to afford to fund.

Senator DORGAN. Yes. I would guess the consensus of this subcommittee will be to re-prioritize the funding in the series of accounts in order to avoid a one-half-billion-dollar cut in water infrastructure funding. I just don't think that that's what we ought to be doing at this point.

Let me ask General Van Antwerp a question. You used one word that concerned me. You said, "I think we have the funding for this flood fight this spring." Did you mean to use "think"?

General VAN ANTWERP. We do have the resources. Let me clarify. We do have the resources right now for everything that we can predict that we're going to need to do.

Senator DORGAN. My colleagues will remember last year that the Red River flood fight went on for nearly a month. According to the National Weather Service, it appears there is nearly a 100 percent chance that we will see major flooding within the coming weeks, particularly in the Fargo-Moorhead area. So, they are also working on a flood control project and Secretary Darcy and I and others have talked about this. It's a very important issue for them because it is a recurring problem and puts a lot of population at risk and property and so on.

RURAL WATER PROJECTS

Let me ask, if I might, of the Bureau of Reclamation, how did you arrive at the funding decisions for rural water projects? Most of them seem funded at minimal levels, and the fact is at these levels, inflation is probably going to increase the project cost faster than the funding that we are investing in the project. So, can we get some notion of how you made these judgments about rural water?

Commissioner CONNOR. With respect to the rural water program, we have been able to increase the level of funding up to the \$62 million, which I think reflects a similar amount to that that was proposed in the 2010 budget. So, we are trying to keep a budget that makes some continued progress with respect to the two projects that have significant construction activity and are nearing completion. Those would be the Garrison project and Mni Wiconi. Within the available resources, given all the competing priorities, we're trying to present a budget that sustains activity in those other projects, keeps the administrative activity on the ground, and helps people continue to do their planning efforts and to do some level of maintenance on the project facilities that have been constructed since they're anywhere from 10 percent to 84 percent fully constructed.

So, I completely concede the point that at the funding level of \$62 million, several of those projects are going to fall behind from an inflation perspective versus what we are able to invest. But it's a level that has been brought up from prior budgets over the last 3 or 4 years. We were able to make significant inroads in some of the activity with respect to Recovery Act money, and we're trying to prioritize within the available resources in that account on a couple projects and keep the others going.

INFRASTRUCTURE REHABILITATION

Senator DORGAN. With respect to the Bureau, something Senator Bennett asked about or raised during his opening statement was that a recently passed lands bill, as Senator Bennett indicated, gave Reclamation the authority to address the rehabilitation of its aging infrastructure. Prior to this, it had been a non-Federal responsibility. But much of the infrastructure of the Bureau is well over one-half a century old, and some of it is in pretty poor condition, and yet no funding was provided in the budget.

And I guess the question I would ask is does this mean this will be and remain a low priority for the administration? And with the infrastructure over 50 years old, much of it over one-half a century old, the problem will increase rather than decrease; so has Reclamation developed contingency policies in the event of the failure of infrastructure?

Commissioner CONNOR. Infrastructure is a very high priority in our budget, and our budget starts with baseline numbers of what it takes to operate and maintain our projects. That's where building our budget starts, with those activities. That's an annual view of maintenance to keep projects in operating condition. We do have a significant issue with respect to major rehabilitation, and the tool provided in the omnibus public lands bill was a very valuable tool.

Previously, there was just no opportunity for our stakeholders to make that investment beyond a 1-year period. Now we have a tool that, if resources are provided, they can enter into a repayment contract not to exceed 50 years.

So, that's part of what we need to be doing. We don't have any money request in the budget. You're correct. But we're still evaluating the needs in that situation. We invested \$10 million of Recovery Act money to assess the condition of our major canals. We're doing 95 stretches of canals that we anticipate we will have reports on through the end of this calendar year that will identify the need of where we think we need to make investments. We are talking with some stakeholders about their major rehabilitation needs, such as in Idaho, and initiating discussions on what a repayment contract would look like so that we can put that tool to work, should there be resources.

And, finally, if we can do this without a major increase in our appropriations for this activity, one of the keys is to have the loan guarantee program that was authorized in the 2006 Rural Water Project Act. In trying to implement that loan guarantee program, we came across several issues that need to be evaluated, and that's going to be on our agenda this year, to go back to the Office of Management and Budget and have that dialogue on that loan guarantee program.

Senator DORGAN. Secretary Darcy, do we have the full commitment of the Corps of Engineers to work with the Red River Valley in Minnesota and North Dakota and the interests as they move forward, not only to fight that flood this year again, as they've done so many years, but also as they work locally to make judgments about the comprehensive flood control project that is necessary to protect the largest population center on the Red River Valley? Is the Corps prepared to work fully with State and local interests with respect to the Federal interest on these projects?

Ms. DARCY. Yes, Senator, we are.

Senator DORGAN. And anxious to do that?

Ms. DARCY. Can't wait.

Senator DORGAN. Happy to do that? It's going to be very important. I mean, we've got people living on an edge here that has been very troubling for them and now facing a very significant, major flood threat once again. So, I appreciate that.

Let me make one comment, and that is that, you know, 50 years ago, half a century ago or more, in this country we built new things. We did a lot of projects, a lot of new projects. We built an interstate highway system that connected the entire country. We couldn't do that now in a million years. You couldn't propose spending that kind of money to connect America with an interstate highway system, but the fact is, if we don't get serious about the infrastructure, yes, roads, bridges, water projects, you name it, we won't be the kind of country we used to be in the minds of people from around the world who came to see what America built. You know, we won't be making anything, and we won't be building anything. We've already gone way down the road in not making anything.

But this budget is very important. This subcommittee is a very important decisionmaker about what our country is going to be in terms of the infrastructure we build for the future. These are big

investments that create significant assets for decades to come. So, I want you all to work very hard inside the administration next year to bring better budgets if you can, because we're going to have to make significant judgments and changes in this budget. I just think it substantially and dramatically underfunds our water programs.

As I indicated, we will have 7-minute rounds. I exceeded mine by a minute or so, but let me call on Senator Bennett.

Senator BENNETT. Thank you very much, Mr. Chairman, and thank you for your statement. I agree with you absolutely that this subcommittee is going to have to exercise its authority to try to correct some of the problems we have in this budget.

QUAGGA MUSSEL R&D PROGRAM

Senator Voinovich focused on the carp and the difficulties that would create in the Great Lakes. People in Utah are very concerned about Quagga mussels and the impact that they will have as an invasive species in Lake Powell and other places. And in fiscal 2010, we provided funding to the Bureau of Reclamation to establish the Quagga mussel R&D program, and I'd like to know what the status of that is.

Ms. CASTLE. Yes, Senator, the Quagga mussel program—the science and technology and research and development on both looking at materials that will resist the attachment of Quagga mussels and also looking at ways to kill them selectively without killing other life in the water—that is ongoing in Reclamation's Technical Services Center. The budget for science and technology this year, proposed for 2011 for the Bureau of Reclamation, is about \$6 million. Of that, approximately \$2 million—and Commissioner Connor and Mr. Wolf can be more specific—is for that Quagga mussel research.

Senator BENNETT. Thank you. I appreciate that specificity and simply want to reaffirm the importance of following through on that.

CENTRAL UTAH PROJECT COMPLETION ACT

You made reference, Secretary Castle, to CUPCA, the Central Utah Project Completion Act, and the budget is up \$1 million compared to fiscal 2010. Obviously, you will insist that this is the right number, but can we probe that just a little and see what the total funding capability for CUPCA in fiscal 2011 and why you think that's adequate?

Ms. CASTLE. Senator, we were actually delighted to have an increase in the CUPCA budget for 2011 given the austerity of the overall budget. CUPCA also benefited, as you know, and you were responsible for significant Recovery Act funding. It's my understanding that CUPCA normally has about three project contracts going at a time. We now have nine as a result of the Recovery Act additional boost. So, that money has really allowed us, together with the 2010 and 2011 budgets, to move forward much more expeditiously than we had anticipated with CUPCA, and we are fulfilling the capability of the Central Utah Conservancy District.

2011 DROUGHT OUTLOOK

Senator BENNETT. Very good. Let's talk about drought. What is the drought outlook for the West in 2011? You've budgeted \$380,000 for drought assistance, and that means you must be looking at a pretty wet year. Give me your background and your attitude with respect to that.

Ms. CASTLE. Well, I'll take a crack at it, Senator, and then turn to Commissioner Connor. The drought outlook varies every year. We're used to seeing very significant droughts in the Southwest. This year, it looks like we're going to have significant drought in the Northwest, in the Columbia River system, in the Upper Colorado Basin. And we're focused on that in looking at our water management operations and trying to plan for the best use of the available water. Fortunately, many of our reservoirs have been able to refill over the past year, so we're going into this, in these drought locations, in better shape than might have been the case.

The drought assistance money that the Bureau of Reclamation has had has not been huge amounts over its history. We have authority for drought assistance. That authority expires at the end of 2010 fiscal year. We do have \$380,000 in the budget for the contingency that we are able to spend that money for drought assistance. We're able to use it for temporary structures and for the construction of wells to assist in drought relief. And that's something that we may want to work with the subcommittee on to look again at the authorization for drought assistance and determine whether those particular authorizations make sense in light of current conditions.

LAKE POWELL

Senator BENNETT. You say the reservoirs are refilling, and that is true in the Central Utah Project. Do you have any sense of where Lake Powell is going to be at the end of this year? Back up, but how much or is that just a—

Ms. CASTLE. Yes—

Senator BENNETT. Yes, I realize, but you've probably done some studies as to where you think Lake Powell is going to be.

Ms. CASTLE. The most recent figures that I've seen indicate that stream flows and precipitation, snow pack in the Upper Colorado, the source of fill for Lake Powell, is about at 68 percent. So, it's been coming down and down and down. It started the water year out very well, but things have not progressed the same way. So, Lake Powell may not get any fuller than it was—last year it was about 60 percent at its peak of capacity. But let me defer to Commissioner Connor, who may have more specifics on that.

Senator BENNETT. Yes.

COLORADO RIVER BASIN

Commissioner CONNOR. Just a couple additional thoughts. I think Lake Powell currently is a little over 60 percent of capacity. The real issue is the Colorado River Basin—and all the figures that Secretary Castle quoted are the ones we're working with. As a result, Lake Powell will probably release the minimum 8.23 million

acre-feet this year to satisfy the Colorado River Compact obligations.

Lake Mead is only at 44 percent capacity, and that's the real concern at this point in time in the Colorado River Basin. Fortunately, it was at 42 percent just a couple months ago. So, the moisture in southern California and that area has helped us save water, and that has improved the situation. And the coordinated operations agreement that the seven basin States put in place a couple years ago has helped us have an objective set of criteria to manage those two reservoirs so that everybody understands the rules and is dealing with them. But if we don't turn around and have a good precipitation year—we're in a 10-year drought cycle in the Colorado River basin—we're looking at the possibility, within a couple years, of having to declare a shortage in the Lower Colorado River basin. So, things are touch and go with respect to that system.

Senator BENNETT. Thank you very much.

Thank you, Mr. Chairman.

Senator TESTER [presiding]. Senator Landrieu.

Senator LANDRIEU. Thank you, Mr. Chairman. Moving from Utah to Louisiana is about as different as you can get on this subcommittee, and it shows how difficult and challenging our work is, and your work, to accommodate the extraordinary needs of the Nation with very limited resources. The Senator was just questioning you about the lack of water, and I'm going to question you about the fact that we have so much of it we don't quite know what to do with it. And if we could keep it in our rivers instead of out of neighborhoods and cities where homes fill up to the roof with water, we would be in better shape, and that's what my line of questioning is.

LOUISIANA COASTAL RESTORATION

I want to begin on a positive note, though, by thanking this team and particularly the President for, in all of the budget, designating only two new starts and one of those being the coastal restoration efforts in Louisiana, which we have put extraordinary and mighty and, I think, good work into getting the Nation's attention about the great need. And I want to say that we're grateful for the \$10 million that is in this bill to begin turning dirt, at least the Federal Government begin really turning dirt, on Louisiana coastal projects, which protect not just south Louisiana and parts of Mississippi and actually benefit some parts of Texas, but actually benefit the entire Nation as we are the largest drainage basin in the Nation, the fifth or sixth largest delta in the entire world. We have the largest land loss anywhere in the lower 48. And it's quite an urgent matter.

But my question is this: We have \$10 million for new construction. That is going to be applied to 18 projects, currently approved and pending authorizations, General or the Secretary, the total of which is \$2 billion in authorization. So, I just did a little rough math, assuming these projects will take anywhere from now to 7 years. We need \$300 million a year just to finish these 18 projects, which are the first piece of the Louisiana coastal restoration effort. And you've given us \$10 million. We're grateful, but how are we going to get where we need to go?

Ms. DARCY. Senator, as you say, this is a start. The needs in coastal Louisiana have been identified by not only the Congress but on the ground down there. We've got ongoing studies also in the budget this year. We are funding six additional studies—the six studies for the LCA program.

Senator LANDRIEU. I appreciate that. I don't want to interrupt. I appreciate that, but the point is this—that we've actually been studying this, the Federal Government has been studying this now for more than 20 years, and this is the first \$10 million that's been directed in a budget for construction, of studies associated with coastal security and restoration. We don't really need more studies. What we actually need are more hard dollars to construct what we already know we should be doing. So, I just want to leave you, you know, with that challenge.

I will second, ask for some comments from you, Madam Secretary, about the White House Working Group on Coastal Louisiana, which I know you were a part of, and this was part of the outcome of this work. How—I'm encouraged by the first step; I'm encouraged by the report that was released. How do you think—and I'd like, General, you to comment as well—how can we accelerate our work based on this new working group, and what does the Corps—how does the Corps either its changing role or a different role based on what this report has already indicated? And maybe, General, I'll ask you, and then come back to you, Madam Secretary.

General VAN ANTWERP. Thank you, Senator. First of all, I think what it really is, is a signal for partnership and collaboration and really working with local authorities to get all of the input that we need so we get the preferred solution, the best solution, and the one that has the best benefit-cost ratio. I think it is definitely a move in the right direction.

Senator LANDRIEU. Did you all talk about accelerating the time for planning, construction, and implementation?

General VAN ANTWERP. We have had a lot of discussion about cutting the amount of time in the planning process. The other issue that we've been discussing is the external reviews, in that how can we make sure we get those done so that we get the best and the brightest working with us, but not to extend the time that it takes to get this done, to actually cut it down. We're really looking at saving time to get to the end state, to get to construction, as you've mentioned.

Senator LANDRIEU. Well, I would just mention to my colleagues, this is really an unprecedented effort that's going on between the Corps and many of the environmental groups, the marine industry, the fisheries industry, the agriculture industry, the oil and gas industry, the State of Louisiana, and it really is an exciting project, but we're going to continue to need to accelerate the work and find additional resources.

LEVEE CERTIFICATION

Going up to the top of my State, to Louisiana and actually up to the Mississippi, there is great concern—you've heard it mentioned again, and I guess maybe, Secretary, this would be for you—about the recertification of the levees. Now, these levees—this levee

system was built in large measure after the great flood of 1927, and that was generations ago. We didn't even have GPS and the technology we have today to give accurate elevation accounts. Now we're—the Corps of Engineers is traveling up and down these levee systems through all of our States, coming up with accurate data, but it's causing a recertification of these levees, Madam Secretary. My question is; is there any money in this budget to help even one community with increased insurance costs or increased cost-share?

Ms. DARCY. Senator, the money included in this budget is not for certification for those levees. As you know, the local sponsor is responsible for the operation, maintenance, and the certification of those levees. We're finding across the country that they are challenged mostly because of the time constraints in getting a levee either certified or repaired, and then when the FEMA flood insurance requirements will kick in.

Senator LANDRIEU. Well, I'm going to ask the Corps to submit to this subcommittee an estimate of the total amount of money that is going to be needed to accommodate these new certifications. I think this subcommittee is going to be shocked when the numbers come in, about what our communities are going to have to either step up or pay in money that they don't have or pay in additional insurance premiums to get flood insurance coverage, and for Ouachita, for Rapides Parish in my State. But it's all the way up the Mississippi River and perhaps in some of the other river systems as well, so.

I have several other questions, but my time is out. I'll submit the rest for, you know, written response, and just to invite any of you that want to travel to the Netherlands, we're taking a third trip. This subcommittee has been gracious about supporting these efforts over time, and we've found some extraordinary peer opportunities in the Netherlands about water management, living with water safely, which is something I think our country needs to learn how to do a little bit better. Thank you.

Senator TESTER. Thank you, Senator Landrieu. And it does affect other drainages. I will defer till the end.

Senator Cochran.

EXPEDITING PROJECTS FOR JOB CREATION

Senator COCHRAN. Mr. Chairman, Madam Secretary.

Secretary Darcy, we appreciate very much your efforts to work with the elected officials in our State of Mississippi to identify and try to help move forward water projects, reclamation projects, and protection of gulf coast areas that are threatened. And our Governor is hard at work trying to identify some of the things that can be done in cooperation between the State and its responsibilities and Federal Government agencies.

The reason this has taken on a new urgency is that just this morning, we received word that unemployment in the State of Mississippi has reached 12 percent. That was not expected, but it—the news comes as a warning that we need to get busy and figure out ways to deal more effectively with unemployment problems and look to Government agencies who can contribute with accelerating projects that were already approved, already been funded, but where work and actual job-creating activity is not moving as fast

as it could be. So, I'm hopeful that we can work with you and General Van Antwerp and others in the Federal agencies and the Corps of Engineers to try to identify some of these opportunities.

One permitting project that can be expedited, I'm told, that has already be funded is the port at Gulfport, where work can be done to help modernize and recover from some of the damages that were sustained during Hurricane Katrina. We've had serious damages done there that need attention, and we can start work very quickly. There's a Mississippi coastal improvement plan which is also finished. It's my understanding that the Corps is looking at ways to improve and expand port capacity in the Gulf of Mexico. We have a Panama Canal expansion that's under way.

So, things are coming together now and providing opportunities for us to really do some things that will help economically both State and national interests.

So, I'm wondering—and I don't know which witness wants to take this question, but what is the time line now for implementation of the Mississippi Coastal Improvement Plan? We provided \$439 million for barrier island restoration work, and we wonder when the work is actually going to begin.

Ms. DARCY. Senator, I believe the work on that particular program which was authorized in an appropriations bill and included funding of \$439 million, I believe that some of that work has begun. In addition to that, we have submitted to the Congress the Chief's report for additional ecosystem restoration for the barrier islands and others along the coast of Mississippi. It was the first Chief's report that we actually submitted to the Congress earlier this year, and I think that included 12 additional projects on the coast, including the barrier island restoration.

Senator COCHRAN. General Van Antwerp, do you have information you can provide us?

General VAN ANTWERP. I think that information covers it, but your other question about getting the permits required—we're committed to getting the permits as quickly as we can in some of the areas like the Gulfport Harbor expansion. We are probably going to need an EIS there because of its large amount of fill and other things. Generally, an EIS takes 18 to 24 months. We're looking at all of those aspects to try and expedite the permit process.

Senator COCHRAN. Well, our Governor, Haley Barbour, is working very hard in his capacity as Governor of the State of Mississippi to help contribute to expediting these projects. And so, what I'm hopeful is that if you run into any delays that can be dealt with either by legislation or by accelerating appropriations directed toward some of these projects, you will please let us know. I'd like for you to look at the budget request you've submitted and find some areas where we can provide funding that will help achieve these goals of better and higher levels of protection and job-creating activities where the projects have been approved, Congress has approved them, directed that they be done, funding has been appropriated, but nothing is happening. So, we hope we can change that and we will have your cooperation in doing it.

Ms. DARCY. Yes, Senator. I had the opportunity to tour the coast of Mississippi with the Governor several months ago, and he was adamant about not only expediting permits but, I think, to quote

the Governor, about the expansion of Gulfport Harbor, he was “as serious as a heart attack” about that project. So, we’re well aware of it.

Senator COCHRAN. Well, with the Panama Canal expansion, the opening of the new parts of that, we’re going to see a lot more traffic coming into the Gulf of Mexico, bigger ships. We’re going to have to accommodate those ships at gulf coast ports. And the port at Gulfport is ideally suited geographically. The public supports the expansion. You’re not going to have people out there lying down in front of the workers when they start to work. People are going to be cheering and applauding because they know it’s a good idea economically, and in terms of environmental concerns, it has already been cleared. Thank you for whatever you can do to help expedite that.

Thanks, Mr. Chairman.

Senator TESTER. Thank you, Senator Cochran.

Senator Johnson.

BUDGET POLICY OF THE BUREAU OF RECLAMATION

Senator JOHNSON. I want to thank the panel for appearing before this hearing. It is nice to see you again, Commissioner Connor. And I hope that you are enjoying sitting on your side of the desk after all the years you’ve spent in the U.S. Senate. I also want to commend the Bureau on using the Recovery Act funds to speed up the completion of key projects on water systems in the Great Plains and South Dakota.

Commissioner Connor, it is my understanding that the Bureau’s first priority in funding rural water projects is a required O&M component, and then for construction, the priority is on projects nearest to completion and projects serving Indian tribes. That stated policy doesn’t seem to align with the actual budget. I’m profoundly disappointed, in fact angry, at the Bureau’s budget for South Dakota projects in particular.

What the Bureau proposed was a budget that did not fund drinking water projects with a tribal component, such as Mni Wiconi, at their full capability, and then provided what appears to be a fig leaf of money for projects without a tribal component, such as Lewis & Clark. Can you explain to me what appears to be an absolute disconnect between the Bureau’s budget policy and the actual funding requests?

Commissioner CONNOR. Senator Johnson, there is some consistency with the priorities, given the fact that Garrison and Mni Wiconi did receive the most resources in the budget request, based on both their tribal components and where they are in the construction phase, being two of our most advanced projects.

With respect to the other projects, we are within the resources we have, once again, which do not reflect capability, as you noted. We are trying to maintain some activity on those projects to allow there to continue to be planning activity and for there to continue to be some level of maintenance of the facilities that have been constructed. We did, as threshold matter, take into account O&M as the priority. So, we have \$15 million of the \$62 million that’s been identified in the budget is for O&M. I think it amounts to \$5 million for Garrison and \$10 million Mni Wiconi. And those are, quite

frankly, eating up an increasing part of the overall budget that we can make available within the resources we have right now.

So, I think the answer to your question is we are trying to allocate those resources on a proportionate basis, based on those priorities, those are the overall amounts that we have. I certainly understand it doesn't keep up with the construction schedules that could be attended to if there were available resources, and we're trying to do our best to keep the projects in some level of activity as we move forward.

Senator JOHNSON. I would remind you that the State and local share has been completely exhausted, and all that's left is the Federal share.

I know that the State of California has required quite a bit of your time and energy over the past several months. Speaking for members of the Great Plains region, I'd like to extend an invitation to you to travel to South Dakota to see for yourself the progress being made in completing these important rural water projects serving hundreds of thousands in South Dakota.

NORTHERN PLAINS FLOODING

General Van Antwerp, the Northern Plains region are under the threat of significant overland and river flooding this spring as a combination of very wet snow pack and saturated grounds from a rainy, wet fall. Can you please describe in detail what actions the Corps of Engineers are taking now to prepare for a possible severe flooding?

General VAN ANTWERP. Thank you, Senator. We're taking a lot of action right now. To outline a few of the things—first of all, we've gotten with NOAA and we have the projections, as best as they can determine right now, and that gives us the early warning. We know that there is going to be significant flooding. We've started with our community involvement. It's actually been going on for quite some time, with the State and Federal agencies. We've looked at the request for advance measures and have received a lot of those where we've looked at our inventories of things such as sand bags for example, and things that would be part of those advance measures. We have the resources we feel necessary to fight these floods. We actually have people out on the levees today with the local folks.

One of the other things we do is we lower the water levels at our reservoirs. We're doing that right now in anticipation so that we can be as ready as we can. We had a meeting yesterday with all of our Commanders associated with this and our security chiefs that have to do with the flood fighting just to make sure those personnel resources can be made available and are available when this happens.

We also have another event pending in the Pennsylvania area, in which our Pittsburgh District handles. We're going to be all across the country, maybe as early as this weekend.

Senator JOHNSON. Thank you, Mr. Chairman.

Senator TESTER. Senator Bond.

Senator BOND. Thank you very much, Mr. Chairman, Senator Bennett, for holding the meeting, my apologies for arriving late. Senator Murray and I have the responsibility to try to straighten

out HUD with Secretary Donovan. She is questioning him at length and will be here, and I'm going back. Anybody wants to go take a few shots in the interim, please do so.

But, Lieutenant General Van Antwerp and Madam Assistant Secretary thank you very much for your testimony.

Jo-Ellen, we welcome you back to the Senate. I hope I won't get you in trouble with the administration to say that we all were glad to have a long-time friend from the legislative side on the other side of this debate. So, I hope it doesn't mess you up.

But as you all know well, there's one issue that's near and dear to the hearts of several of us. Senator Dorgan and I are both very interested in the regulation of the Missouri River. Now that Senator Dorgan and I have full lakes and a full navigation season, our work is complete, so we both are able to retire from the Senate in 2011. I know how much you will miss us both and all our helpful counsel, but with us gone now the entire burden lies on you, don't blow it.

We finally got the lakes and the rivers full, and it's up to you to keep it going.

INLAND WATERWAY MANAGEMENT

But on waterways in general, we have some very difficult economic times, and we're all looking for stimulus. There's a lot of money being spent. I hope that you two are being strong advocates within the administration for budget priorities. And there are budget priorities that are very important.

We have immense capacity on our rivers for shipping. It's efficient. It takes far less energy, releases far less pollution, and it's a big answer to long-term congestion problems. This is a win-win opportunity. We have projects in the backlog that are shovel-ready, and I hope you're looking at these and fighting for them. They need to be—they need to be included in the budget and the plans. A big priority for a lot of us in the Midwest is modernizing the Social Security-age locks on the Mississippi River. If you are for increased trade, commercial growth, and job creation, all of which we desperately need right now, you cannot get there without supporting the basic transportation and infrastructure, like the much-needed new locks and dams on the Mississippi.

As we look 50 years into the future, we have to ask ourselves a fundamental question: Should we continue to be stuck with a system that was designed in a transportation straightjacket for 1950 rather than 2050? It was designed when we still had paddle wheel boats, and we are strangled. I've visited those locks. I've seen the double locking they have to go through. And we know that if one of those locks—they don't just leak right now; sheets of water come down when the water is low. If one of those locks on the lower Mississippi—one of the lower ones goes out our trade is going to be crippled.

You remember what happened—well, those of us in agriculture territory know what happened when Hurricane Katrina blocked the mouth of the Mississippi River. I mean, it was a—it was a huge shock to the entire economy of rural Midwest. That's where I live. That's where my people live. And I was very troubled and disappointed that while funds for river modernization are authorized,

there's no money for those projects in the budget. The oversight is disappointing since the locks are our Nation's most important inland waterways and the projects are ready to go. I'm stumped by the budget oversight. Since the President has been on his—you may remember he was a lead partner with me in authorizing the project, and the future is now in his hands. Get the word to the Budget Office.

I see this as a most promising opportunity to get something big and important underway. It is good for jobs. It is good for reducing energy dependence, and it is the best thing we can do in transportation right away for lessening pollution. This project would involve 48 million man-hours, creating much needed jobs. And our friends in labor, throughout the Midwest, are crying for this job stimulus, which is good for the economy, good for the environment. It will put—it will help people in the Heartland grow, mine, manufacture things, and be more competitive.

Additionally, river modernization has broad ecosystem restoration components, and while that doesn't create as many jobs as we would see on the commercial side, it would help broaden the support for pressing forward with a meaningful project with bipartisan support. And, as I said, the President when he was in the Senate was a vigorous supporter of this, and we need OMB to get the job.

Now, I guess I'm going to be sending a letter to the administration, but, General, let me ask you, are you working on these opportunities? Are you looking for similar opportunities where the Corps can work with stakeholders, work on American job creation, and work to get the necessary financing behind the projects that I think anybody who has paid any attention to it knows we badly need? What's happening? Where are you going? When are we going to see some budget recommendations?

General VAN ANTWERP. Thank you, Senator. There are a lot of questions in there. I'll try and give it my best shot. I was—

Senator BOND. How are we going to get—we need money in the budget.

General VAN ANTWERP. Right.

Senator BOND. That's the question.

General VAN ANTWERP. That's the bottom line.

Senator BOND. What are you doing to get it there?

General VAN ANTWERP. I guess the first thing is to really know what we have and what condition they're in, and we do know that now.

Senator BOND. Yes.

General VAN ANTWERP. So, we can prioritize those things. You know we had some lock chamber problems this year, and what we don't want is unscheduled outages because that's what backs up the industry. We do know what we have, and we've taken these dollars in this budget and, as best we can, prioritized for those that are most crucial, have the largest impact, and have the most—I guess the most opportunity for failure. So, that's how we've budgeted right now.

Senator BOND. But you know there—the needs are far greater than the dollars in the budget.

General VAN ANTWERP. The needs are far greater than the dollars we have—

Senator BOND. Far greater.

General VAN ANTWERP [continuing]. To put against them. Yes.

Senator BOND. What can you do to help get the dollars there?

General VAN ANTWERP. Well, I think that the first step really is what we've done, and that is to let the need be known with the priorities, so that we know that with whatever dollars we have, we're able to do the best we can. We have some American Recovery and Reinvestment Act dollars in the O&M account, about \$2 billion in the civil works arena. That helped a lot, but the backlog is great. The American Society of Civil Engineers says the infrastructure backlog in the country is \$2.2 trillion. That is what we're up against, and we have a part of that, as you said. It's Social Security age. I like the way you stated that. That's the age of our lock system.

Senator BOND. Unfortunately, when we talk about Social Security age, I'm at the age where "don't ask, don't tell" refers to the year I was born in so, I know something. The locks are older than I am which should be shocking.

Mr. Chairman, I am going to—I'm going to have to go back to the hearing, but I know that Senator Murray obviously has quite a few things she'd like to ask. But I'll leave you with good wishes and the profound hope that we can work together and make sure we get the money in the budget for what is a tremendous opportunity that we're missing now.

Senator TESTER. Thank you, Senator Bond. And tell Senator Murray that, when she gets here, we'll be open for business, but tell her to move quickly.

Senator BOND. I'll do that.

Senator TESTER. Thank you.

LEVEE CERTIFICATION

This is a question for Secretary Darcy and General Van Antwerp, and it deals with a singular town, but by Senator Landrieu's questions, it's more broad-spread than that, and I think you know that.

Right now, the city of Great Falls is having—Great Falls, Montana, is having a serious problem getting their levees certified for inclusion on the FEMA flood maps. Last July, FEMA let Great Falls know that their levees would need to be certified. When Great Falls went to the Army Corps for help, it turns out that those policies changed the January before to say that no Federal funds could be used on levee certification unless it was in an active Army Corps area project. That left not only Great Falls but a lot of folks scrambling to find out how they could come up with an engineering firm that was qualified to do the work and, second and even more challenging, a way to pay for it. Because all the communities in Montana are rural, you do not have the population to be able to spread out those costs.

I was just wondering why that change was made, why the Army Corps made the change to not do any more certification, and what are they doing to help small communities with levee certification.

Ms. DARCY. Senator, the decision was made to change the policy because of resource limitations to certify the levees. We, at the moment, are trying to work with the locals in order to provide some

sort of way to help them with their inspections, but at this time, we don't have a budgeted resource for that service.

Senator TESTER. Okay. So, ultimately—I mean, Senator Landrieu asked a question of how much it was going to cost. We've heard anywhere from, well, around \$30,000 a mile. The folks in Great Falls that I talked to said it was going to be more than that. How are we going to solve this problem? Because the fact is, if we don't get the levee certified, if they don't have the means to do it, and the flood insurance goes up, houses don't get sold—it further depresses an already depressed economy. How are we going to fix it?

Ms. DARCY. Senator, I think one of the things we can look at doing is working with FEMA. I think one of the challenges that many of the local sponsors are finding is one of time, that there's a 2-year window here in order to get your levee certified before the increased flood insurance rates would kick in, and in many instances, it may just be a matter of time in order to get the resources and get the levee in shape to get certified.

I think if we can work with FEMA in order to look at some kind of—I'm not sure what the end result would be, but I think we need to look at that because there are lots of people, not only in Montana, but around the country who are faced with the same challenge. And it's not that they were bad actors; it's just there's not the time nor the resources to do whatever is needed to bring the levee up to certification.

But your point about is there a firm in their geographic area or nearby who has the capability and—

Senator TESTER. Right.

Ms. DARCY [continuing]. And the wherewithal to provide that certification.

Senator TESTER. And it's not only time; it's liability, too, because during that 2-year period, the liability shifts to local cities, towns, counties. Is there anything that can be done about that?

Ms. DARCY. That, again—I think we have to address it. I can't tell you right now what that would be.

Senator TESTER. Okay.

General VAN ANTWERP. Senator, if I might add, one thing we're doing right now is we're trying to get the databases for inspections that have been done so that it can cut down on the cost of certification. There are a lot of A-E firms out there that will do the certification today, but, as you suggested, it's the cost. And it can range from between \$150,000 to \$1 million depending on—

Senator TESTER. How big the levee is?

General VAN ANTWERP [continuing]. The levee.

Senator TESTER. Yes and the other issue is bonding, because of the liability issue.

General VAN ANTWERP. Right, your liability associated with that.

Senator TESTER. Yes. Along those lines, you are performing—the Army Corps is performing some work on those levees. Is it your opinion that work will be able to be used in the recertification project to help drive costs down, even if the recertification is done by a private engineering firm?

General VAN ANTWERP. We basically have four types of levees. We have levees that are Corps-built, Fed-built, and Fed-operated O&M.

Senator TESTER. Yes.

General VAN ANTWERP. Then we have the Fed-built, but locally maintained.

Senator TESTER. Right.

General VAN ANTWERP. And then we have some that are in a category that we flood-fight, and then we have the others. And the others are about 100,000 miles worth.

Senator TESTER. That's fine.

General VAN ANTWERP. So—

Senator TESTER. The question is, is where you are already doing certification work, is it possible to use that certification work to help keep costs down by a private firm that's doing certification work? And—

General VAN ANTWERP. We're working—

Senator TESTER [continuing]. Is that being done now, because there's a lot of work that has to be done.

General VAN ANTWERP. Where we're doing certification work right now is in the area where it's Fed-owned and Fed-maintained, and so that's the limit of what our resources allows us to do. So, that other area, other than giving them all the data we have for those other types of levees, that's been our contribution to try and help them cut costs.

Senator TESTER. Okay. And just to confirm, I heard you, Secretary Darcy, say that you were going to—because this is my next question. I think you may have already answered it. That the Army Corps was going to work with FEMA to help with local communities with the flood issue. Because it's—I mean, we've got them across the board. I mean, town that have—Malta, Glasgow, Chinook, Saco. I mean, some of these are really small towns. There has to be a solution for this; otherwise, we're in big trouble.

Ms. DARCY. I think that we will need to work with FEMA in order to help to address that concern because, as you noticed and as you have stated, it's nationwide.

Senator TESTER. Okay. Thank you. I'm going to kick it over to Senator Murray, and then I've got some questions for the Corps after Senator Bennett gets done.

Senator BENNETT. I'm waiting to hear what Senator Murray has to say following on Senator Bond. So—

Senator MURRAY. I will just send him back to Transportation, so.

Well, thank you very much, Mr. Chairman. I really appreciate your having this hearing. I know the Corps is facing some tough budget times ahead, and I appreciate the work all of you do out on the ground.

HOWARD HANSON DAM

General, I wanted to talk to you because, as you know, Howard Hanson Dam in my home State of Washington, has a significant seepage problem that is putting all of our downstream communities at serious risk of very, very dangerous flooding, and I really want to thank you and Assistant Secretary Darcy for coming out, visiting the dam and seeing first-hand how important this is to all the people in the Green River Valley below it. And I see that General Grisoli and General McMahon are in the audience as well. They came and talked with all of us last week. I know they are up to

date on this. And I appreciate the tremendous amount of work on this.

I know that the Corps is currently working on a study now to determine what needs to be done at Howard Hanson Dam, and as you know, this study needs to be completed by a certain point, by June of this year, in order to be considered for the fiscal year 2012 construction funding. I sent a letter to you all back in February urging you to move quickly on the study so that we will know what we need to do to protect our Green River Valley communities, and I can't stress enough how important it is that the Corps get that done.

So, my question to you this morning, General, is what assurances can you give me that this study will in fact be ready by June of this year?

General VAN ANTWERP. Thank you, Senator, for the question. I'm getting the latest and greatest information right now.

Senator MURRAY. I can see that.

General VAN ANTWERP. The study will be at the point that we will have alternatives identified so that we can begin the process of the design.

Senator MURRAY. By June of this year?

General VAN ANTWERP. Yes, ma'am.

Senator MURRAY. Okay. I really appreciate that. And, Secretary Darcy, thank you so much for your work and working with us a lot on the advance measures for Howard Hanson and, again, for coming out. I want to continue working with you to find ways, as we move forward on this, to make sure everybody is as safe as possible.

COLUMBIA RIVER

But I do want to ask you this morning about another critical issue to my State. I worked very hard and was able to include \$26.6 million in the Recovery Act for the Army Corps to complete the Columbia River Channel Deepening Project in Washington State. It was a big victory for the region. That deeper channel is so important to us to accommodate larger ships, to help the economy in the region, and to support 40,000 jobs that depend on that maritime commerce. That project, right now, creating jobs is people at work. I was there a few weeks ago. It is really laying the foundation for long-term economic growth, and that's why I thought it was such an important use of recovery funding.

But I am concerned still that all of that work that we've done and all the time we put into that will be for nothing if the Columbia River jetties fall into disrepair. Those jetties are so important to our shipping industry. That supports billions of dollars in economic activity throughout the region. Those jetties actually protect the mouth of the Columbia River from all the ocean waves as well as a lot of beach sand that clogs that shipping channel. And their continued effectiveness is absolutely essential to this region and to our economic health.

So, I was really happy that the Corps did put forward a plan to bolster those jetties, and I'm committed to working with you to make sure that you have the resources you need to get that done.

But my question this morning is, directly to you, will you continue to work with me and our local communities to make sure that we move forward in a timely fashion on those critical jetties' repair?

Ms. DARCY. Yes, we will, Senator.

Senator MURRAY. And you'll continue to prioritize that issue, plan budgets to make sure we have the necessary funds for it as well?

ODESSA SUBAREA SPECIAL STUDY

Ms. DARCY. We will strongly consider it always.

Senator MURRAY. Okay. Thank you very much. I appreciate it.

And, finally, Commissioner Connor, while you're here, I wanted to ask you—I'm really disappointed that the President's budget doesn't include funding for our Odessa Subarea Special Study. You know the Columbia Basin Project is a critical tool for our farmers in my home State of Washington and neighboring States. It secures a reliable surface water supply for the producers. That's very important to making sure that the continuation of agriculture in central Washington and to protect our ground water supply as well. Can you tell me this morning how the Bureau is progressing with the funding Congress has provided? And are you still on track for completion in 2011?

Commissioner CONNOR. At this point in time, we are making good use of the resources that Congress has provided and that you specifically were able to get for us with respect to the study activity. So, we are on track right now with the environmental impact study to get a draft out this spring 2011. Hopefully, we will not have a whole range of issues, and the game plan is then to be able to finalize that document in the spring of 2011. So, we still are on track at this point in time with the funding provided by this subcommittee, plus the State funding. I think we've got enough. We will keep your office posted if we think we're going to run short of funds.

Senator MURRAY. Okay. Please stay in very close touch with us. This is very important for that region of our State—actually, for our entire economic region there. So, I appreciate it very much, and we want to continue to work with you on that.

Commissioner CONNOR. Absolutely.

Senator MURRAY. Mr. Chairman, thank you for letting me jump in, I appreciate it.

Senator TESTER. Absolutely. I thank you, Senator Murray.

A couple questions more for the Corps, and then we'll go over to the Bureau of Reclamation.

CERTIFICATION COSTS

The Omaha folks from the Army Corps were in my office 10 days ago, and we talked about the certification issue. One of the things that they brought up that I didn't follow up with them, so I will with you, is could the Corps do certification? They've said it would cost a lot more for the Corps to do the certification than it would for a private engineering firm to do it. Is that correct, and if it is correct, why?

Ms. DARCY. I don't know if that's correct.

Senator TESTER. Okay. That's all—that's good enough.

Ms. DARCY. I couldn't tell you which was more costly.

Senator TESTER. Okay. That's cool. Since we've got the Corps and the Bureau of Reclamation here today, it is good to have you all here. And, by the way, from the lines of questioning, you've got a very difficult job, and I appreciate the work you do. Everybody's got their priorities, and it seems like some of them are at loggerheads with one another.

ST. MARY'S REHABILITATION PROJECT

But I want to ask you about a project in Montana we've talked about. The chairman of this subcommittee has helped with it a lot. The St. Mary's Rehabilitation Project. That project is probably nearly as old as Senator Bond's dad.

Last time I went out there, there were chunks of concrete falling off the dam. The Bureau of Reclamation has been getting appropriations for the studies to rehabilitate the project. In the last water bill, the Army Corps was authorized to do the project on a cost-share. Since you're both here, my question is, which one is going to take the lead?

Ms. DARCY. Did you see us looking at each other?

Senator TESTER. You can arm-wrestle in the middle, if you'd like.

Commissioner CONNOR. He who speaks first—is that the—

Ms. DARCY. The WRDA authorization of 2007 did give authority to the Corps and at that cost-share; however, it is not budgeted for in the Corps budget. And I think that the Bureau has \$3 million—is that right—for this year? I'm not—

Senator TESTER. So that indicates that the Bureau will be taking the lead.

Commissioner CONNOR. At this point in time, we have some resources.

Senator TESTER. Okay.

Commissioner CONNOR. We see a process to start dealing with the diversion dam issues with ESA; we can also look at rehabilitation. So, that's what's happening in 2010.

RURAL WATER PROJECT BACKLOG

Senator TESTER. Super. Commissioner Connor, you testified, I think last—it was last fall now that you have about \$2 billion in authorized rural water projects as a backlog. What are we going to do about it? Do you guys have a—do you have a plan for that to get them addressed? And the reason I bring it up is because—the comments I made in my opening statement. A project that I started working on 12 years ago that was \$100 million is—two of them. They were each \$100 million projects. Now they're each \$300 million projects. The money that's been appropriated over the—well, the money that's been appropriated, with the exception of the Recovery Act dollars, hasn't even kept up with inflation. And I'm sure they're all in that same boat if they're backlogged in. What do you have—I mean, what—what's your vision?

Commissioner CONNOR. Well, the vision right now is one that's an incomplete picture, quite frankly. Through the last 2 years with the increases in our budget that have been provided by Congress, plus the priority placed on rural water through the Recovery Act,

we've been fortunate to be able to invest something to the tune of \$460 million in these rural water projects. That still leaves a \$1.2 billion backlog in authorized projects, and if you add in the pipeline projects we're doing associated with Indian Water Rights Settlements, we are at the \$2 billion figure.

Senator TESTER. Correct.

Commissioner CONNOR. So, we've got a good work plan for 2010, even through 2011, since there's a large amount of construction activity. But then we're in a situation where there's a big gap in how we're going to fund. With respect to some of the Indian Water Rights Settlement programs, we've got some help on the way in 2020 through some direct expenditures that are available through the Reclamation Fund, and that was part of Public Law 111-11.

But right now, we are looking at a situation where, you know, the facts tell the story. We are at \$62 million per year, given the construction schedules and the need versus that \$1.2 billion, we are not keeping up with inflation dollars at this point in time, and we are looking at Government-wide flat budgets for the next few years. So, we will continue to try and prioritize the projects, get done what we can as we've done with prioritizing Garrison and Mni Wiconi this year. We may look at reallocating some funds, not much, but we are in the process of finalizing how we're going to reallocate Recovery Act funds to make sure we can meet the statutory deadlines. But I can't sit here and tell you I have a game plan that's going to solve that issue right now, in the coming years.

FORT PECK

Senator TESTER. All right. All right, last question—it actually goes off of Senator Bond's question. I wasn't going to ask this, but I've got to. We've got a little lake in Montana called Fort Peck, and a few years ago, when you flew over Fort Peck, it didn't look like a lake anymore; it just looked like a river because it was pretty well depleted. It has not—I don't think it's close to full pool at this point in time. I think it's got a long ways to go to get to that point. But it is better than it was a few years ago.

The question I had, since you—the Army Corps is responsible for that, is there enough water to take advantage of the recreational opportunities in a place like Fort Peck, that's critically important to their economy, and take care of our shipping needs downstream? Or is that—must that be prioritized? And what's the Army Corps's priority? Is it for the shipping or is it for recreation, as we move forward?

Ms. DARCY. Senator, I think, with regards to Fort Peck, the releases from Fort Peck into the Missouri River are, many of them, dictated by some endangered species that are downstream, as opposed to the shipping interests. I think we currently need to sustain the population of the pallid sturgeon and the least tern—

Commissioner CONNOR. And—

Ms. DARCY [continuing]. On the Missouri, in that stretch of the river between Fort Peck and the Missouri. That is what is helping to dictate the operation manual for Fort Peck.

Senator TESTER. So, it isn't dictated off of shipping?

Ms. DARCY. It's dictated off of the authorized use of Fort Peck, of the Fort Peck Dam that was built there.

Senator TESTER. Okay. Let me back up a little bit. Is release based off of endangered species or is it—is it based off of shipping needs downstream?

Ms. DARCY. It's based off of the authorized purpose of the Fort Peck Dam.

Senator TESTER. Which is?

Ms. DARCY. Which is—I believe it is recreation and——

Senator TESTER. Okay.

Ms. DARCY. It is multi-purpose.

Senator TESTER. Just—yes.

Ms. DARCY. I know its recreation.

Senator TESTER. Yes.

Ms. DARCY. But I know—but I know part of what is determining the operation—when the master manual was redone——

Senator TESTER. Yes.

Ms. DARCY [continuing]. In the late 1990s.

Senator TESTER. Yes.

Ms. DARCY. Consideration had to be made for the endangered species downstream.

Senator TESTER. Okay. We'll continue the dialogue as we move forward because, as we talk about flooding downstream in the Missouri River, I don't think it's going to come out of the mountains of Montana. We're at about 60 percent of normal in snow pack. And so, that's going to put the water level at Fort Peck becoming a big issue again, as it always is.

I want to thank you all for being—Senator Bennett, did you have anything?

ADDITIONAL COMMITTEE QUESTIONS

At this time I would ask the subcommittee members to please submit any questions they have for the record.

[The following questions were not asked at the hearing, but were submitted to the Departments for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. JO-ELLEN DARCY AND LIEUTENANT GENERAL ROBERT L. VAN ANTWERP

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

GENERAL BUDGET QUESTIONS

Question. The budgetary criteria used for determining the budget request is not statutory, correct?

Ms. Darcy. Yes, that is correct.

Question. How is the criteria developed?

Ms. Darcy. The budgetary criteria were developed in response to the Government Performance and Results Act, establishing Civil Works business lines and developing criteria to delineate performance and prioritize programs, projects, and activities for inclusion in the budget.

The four principal metrics for the Civil Works program are, in brief, Benefit-to-Cost Ratio, (BCR), potential to contribute to human safety, potential to cost-effectively restore important aquatic ecosystems, and effectiveness in reducing risk of failure in high consequence situations. Applicable criteria are applied to each project. Where more than one criterion applies to a project, these criteria are considered in conjunction to make a balanced decision on a project's merits. The Corps continues to refine the performance metrics.

Question. What happens if a project that the administration determines to be worthwhile does not meet the established budgetary criteria?

Ms. Darcy. All eligible projects that are consistent with administration policies compete on a level playing field for inclusion in the budget. Projects that are considered for budgeting are consistent with the Corps' main mission areas and the projects' environmental and economic performance. Projects that do not meet budgetary criteria are not included in the budget.

Question. Is the criteria adjusted during preparation of the budget?

General Van Antwerp. Adjustments to the criteria are occasionally made during formulation of the President's budget to reflect administration priorities. For example, ongoing non-structural projects with BCRs of 1.0 or greater were considered for funding in fiscal year 2011 because of the importance to the administration of ecosystem restoration and non-structural solutions to water resource challenges. The BCR thresholds for inclusion in the budget also may vary over time, depending on the funding available for the Civil Works program within the President's overall priorities.

Question. How would the budget request differ if you only used the statutory requirements for considering projects?

Ms. Darcy. Statutory requirements do not provide a basis for prioritizing eligible projects for funding. BCRs, Regardless of what criteria are used, projects still need to be prioritized for funding, because the universe of authorized projects far exceeds the amount of funding available.

Question. Would it be correct to say that the budgetary criteria are arbitrarily changed from year to year to accommodate funding amounts or does the budgetary criteria drive the funding amounts provided?

Ms. Darcy. Budgetary criteria can change periodically to reflect changing National priorities, but that does not mean they are arbitrary. Objective performance criteria are used to determine the high performing projects to be included in the President's budget. The total amount of funding available in the budget for the Civil Works program is a function of the President's overall policies and priorities.

Question. How do you explain the reduced request from fiscal year 2010 to fiscal year 2011?

Ms. Darcy. The fiscal year 2011 budget supports the administration's commitment to constrain the overall level of non-security discretionary spending. The fiscal year 2011 funding level reflects a practical, effective, and sound use of the Nation's financial resources.

ARRA

Question. Why has the administration consistently refused to fund shore protection projects with ARRA particularly when in some cases these projects have higher benefit to cost ratios than projects the administration has chosen to fund?

Ms. Darcy. Last Spring, the administration allocated ARRA funds to high priority infrastructure work. At the same time, the administration engaged in a review of executive branch policies for shore protection projects. Subsequently, shore protection projects with the highest benefit cost ratio were included in the President's fiscal year 2011 budget.

Question. What is the status of the obligation of the ARRA funding?

General Van Antwerp. Approximately \$3.2 billion, or 70 percent of the total of \$4.6 billion, has been obligated.

Question. How much of the ARRA funds have gone to small businesses?

General Van Antwerp. To date, 73 percent of all ARRA contracts and 45 percent of ARRA funding, or \$1.3 billion, went to small businesses.

Question. How do the projected jobs to be created by ARRA compared with the actual job creation?

General Van Antwerp. Comparisons are difficult for several reasons: Not all recipients of Civil Works ARRA funds reported initially, and there was uncertainty about how to calculate the jobs supported by ARRA funds. Also, recipients of ARRA funds do not report jobs supported by their subcontractors, which likely is a significant number for the construction and maintenance work the Corps has funded. I understand that the rule of thumb used by the Council of Economic Advisers is \$92,000 per job. For \$4.6 billion, this would translate into about 50,000 jobs over the total period of spending. For the fourth quarter of fiscal year 2009, recipients of Civil Works funds reported that Recovery Act funds were creating or retaining jobs at an annual rate of 2,145. In the second quarter the number of jobs reported to be created or retained was 6,047 at an annual rate.

Question. How accurate do you feel your job creation count is?

General Van Antwerp. There have been challenges with under-reporting and data accuracy. The Corps is working closely with ARRA recipients to ensure complete job data is provided for the recovery reporting job count. The target for the next fiscal

quarter is 100 percent accuracy in reporting by 100 percent of the recipients required to report.

NEW ORLEANS TECHNICAL REPORT ON CATEGORY 5 PROTECTION

Question. Is the Louisiana Coastal Protection and Restoration technical report complete? It is now over 2 years overdue for submission to Congress. Where is the report now and when do you plan to submit it to Congress?

General Van Antwerp. The Corps of Engineers has completed its technical evaluation and transmitted it to the Assistant Secretary of the Army for Civil Works. Additional information will be provided to the Assistant Secretary's office as soon as possible, to enable completion of their review.

Question. Once the State of Louisiana has provided input on its' views regarding the Louisiana Coastal Protection and Restoration Report and you provide the report to Congress, how will you move forward on the findings of the report?

General Van Antwerp. The Corps will engage with the State to establish a cost sharing agreement and establish priority coastal areas and risk reduction options for further evaluation. Some of the final risk reduction options identified in the Louisiana Coastal Protection and Restoration Technical Report are already being incorporated for further evaluation under other ongoing feasibility study efforts such as Donaldsonville to the Gulf of Mexico and Southwest Louisiana Coastal studies.

Question. The Mississippi Coastal Improvements program report, started at the same time as the Louisiana report, recommended near term and long term solutions—some of which have already been funded. In the drafts of the Louisiana report, there seems to be more of a focus on providing options without providing recommendations. If you as our experts cannot make recommendations to improve hurricane and storm damage protection along the Louisiana coast, who should be making those recommendations?

General Van Antwerp. The findings of the Louisiana Coastal Protection and Restoration technical analysis identified multiple effective approaches for greater reduction of risk in any specific area of coastal Louisiana. However these approaches produce varying levels of risk reduction in exchange for varying and significant exchanges, or tradeoffs, of impacts to the public directly, social and economic viability, and the environment, in addition to a range of significant fiscal investment at the Federal and State level. As a result it is viewed as critical that the final recommendations involve an interactive consideration of the risk tradeoff values of the affected communities and region and not be solely a function of technical evaluation by the Corps.

LOUISIANA HURRICANE PROTECTION SYSTEM

Question. What is the status of the repairs to the existing hurricane protection system?

General Van Antwerp. By June 2006, the Corps had repaired and restored 220 miles of the system to the pre-Katrina level of protection. The Corps also constructed 5 new safe rooms so pump station operators can safely operate during storm events; added storm proofing features to pump stations in Jefferson Parish for more than \$28 million; completed 47 pump station repairs in Jefferson, Orleans and St. Bernard parishes for a total of more than \$56 million; and awarded contracts for 16 pump station repairs in Plaquemines Parish for more than \$19 million—all completed with the exception of the Elaine Pump Station which is scheduled for completion in November 2010. The safe rooms and pump station repairs were all 100 percent Federal funded.

Question. What is the status of the improvements to the existing system funded by Congress?

General Van Antwerp. The Corps has made significant progress on the Hurricane Storm Damage Risk Reduction System (HSDRRS) in the last 4½ years. More than 240 construction contracts have been awarded. To date, \$7.4 billion (or 51 percent) of the almost \$15 billion program for the HSDRRS Program has been obligated, including almost \$2 billion worth of direct contracts to small business firms.

The system is now stronger and more resilient than at any time in history. Execution of the HSDRRS is more than one-third complete. The Inner Harbor Navigation Canal Surge Barrier at Lake Borgne is over 50 percent complete. The West Closure Complex, another major navigable surge barrier and pump station that will reduce storm surge risk for the West Bank, is 20 percent complete. Floodwall and levee projects in New Orleans Metro area are 90 percent complete.

Question. Will the system be functional by June 2011 as promised in the previous administration?

General Van Antwerp. We remain confident in our ability to deliver the 100-year system on schedule and within budget. I would note that the Corps shares responsibilities with local sponsors and other partners who must provide real estate interests, borrow areas, relocations and other technical matters, to deliver the HSDRRS program to the public within the cost and schedule commitment. The support and contributions of partners and stakeholders are essential to execute this immense and complex program.

The HSDRRS is a top priority of the Corps of Engineers; the Corps is using the overall resources of the entire Mississippi Valley Division and other Corps expertise from across the Nation to keep the program on schedule and deliver on the commitment to having the physical features in place to provide 100-year level of risk reduction by hurricane season 2011.

Question. What do you see as the current weak link in the system?

General Van Antwerp. The Corps of Engineers undertook an exhaustive scientific analysis to determine the physical features and design elevations necessary to deliver a uniform system of storm surge risk reduction for the Lake Pontchartrain and Vicinity and West Bank and Vicinity projects. Upon completion of physical features of the system in 2011, the project will deliver a uniformly robust and resilient system, built to provide a 100-year level of risk reduction.

Question. There has been considerable discussion over the replacement of the temporary pump stations constructed on the three main outfall drainage canals after Katrina. The city wanted the replacement stations to also replace the existing pump stations on the canals so that water would only have to be pumped once. Congress rejected this proposal in the fiscal year 2010 E&W Act. Am I correct that this would not improve hurricane surge protection or storm damage reduction?

General Van Antwerp. That is correct. The city's preferred plan, Option 2 or 2a, provides no greater level of storm surge protection than Option 1, the current plan to replace the temporary pump stations with permanent, robust structures.

Question. What would the plan that the city desires do exactly? Do any additional benefits accrue to the Federal Government or are they all local benefits?

General Van Antwerp. Option 2 significantly modifies the city's interior drainage by deepening and lining the outfall canals to accommodate gravity flow of interior rain water to Lake Pontchartrain, eliminating the need for pump stations at the interior of the canals. The estimated cost (pre-feasibility level of design) is \$3.4 billion.

Option 2a adds a plan to intercept and divert Jefferson Parish (Hoey's Basin) rain water from the 17th Street canal to the Mississippi River. The estimated cost (pre-feasibility level of design) is \$3.5 billion.

Options 2 and 2a provide no greater level of storm surge risk reduction than Option 1, the planned permanent canal closures and pumps. Option 2 is a complex construction project that would take several years to construct, at considerable impact and disruption to the surrounding communities.

No additional benefits accrue to the Federal Government.

Question. Will the system work as the Corps has currently proposed? Has it been tested?

General Van Antwerp. The proposed plan to build permanent closures and pump stations at the mouths of the three outfall canals will replace the temporary features in place today. These temporary features performed exactly as planned during the coordinated pumping operations with the Sewerage and Water Board during Hurricanes Gustav and Ike. The Corps exercises these pumps frequently during regular operations and maintenance as well as emergency operation exercises conducted with our partners at the Sewerage and Water Board.

The permanent pump stations will have the capacity to handle the current and planned future capacity of the S&WB.

Question. I understand that the Corps has agreed to modify, at Federal expense, the permanent pump stations on the outfall canals so that the State could install the locally preferred plan at a later date. Has the State signed the cost sharing agreement on the replacement of the temporary pumps for the three major outfall canals?

General Van Antwerp. The Corps has committed to replacing the temporary pump stations in a way that would facilitate later improvements to the local interior drainage system, should they be authorized and funded or constructed by the State in the future.

The Army plans to execute a Project Partnership Agreement (PPA) Amendment with the State of Louisiana, Coastal Protection and Restoration Authority (CPRA) on March 12, 2010.

Question. What is considered the design life of the temporary pumps?

General Van Antwerp. The temporary pumps were designed and built in time for the June 2006 hurricane season. They have a limited project life (5-7 years).

Question. What does that mean? Will the pumps fail or won't they?

General Van Antwerp. The Corps will provide the necessary maintenance of the temporary pumps to assure their operability until they are replaced. The temporary pumps will experience diminished reliability and increased maintenance costs the longer they are kept in service.

Question. Does not initiating construction going to drive completion of the permanent pumps past the point of when the temporary pumps will become much less reliable?

General Van Antwerp. Following the scheduled execution of a Project Partnership Agreement Amendment between the Army and the State of Louisiana on March 12, 2010, the Corps will have the ability to move forward to provide robust, sustainable protection at the outfall canals. The Corps anticipates completion of the permanent closure structures and pump stations by fall 2014.

Question. Isn't the delay in initiating construction of the permanent pumps putting the citizens of New Orleans at increased risk WHEN, not if, the next hurricane hits?

General Van Antwerp. The temporary closure structures and pump stations at the three outfall canals currently provide 100-year level of risk reduction. However, they have a limited project life (5–7 years). The Corps will provide the necessary resources to ensure their operability until the permanent closure structures and pump stations are constructed.

NATIONAL LEVEE INVENTORY

Question. Please report on progress on the National Levee Inventory: How many levee miles have been inventoried to date?

General Van Antwerp. (1) Civil Works Program—14,000; (2) Other Federal Programs—0; and (3) Non-Federal Programs—0.

Question. How many miles within WRDA 2007 authorities remain to be inventoried?

General Van Antwerp. (1) Civil Works Program—Complete; (2) Other Federal Programs.—Number of miles unknown. Will start to identify levees in fiscal year 2010–2011; and (3) Non-Federal Programs—Number of miles unknown. Will start to identify levees in fiscal year 2010–2011 to the extent voluntarily provided by States and local communities.

The Corps will continue to expand the National Levee Database (NLD) to other Federal agencies and all the States. In accordance with title IX, USACE will implement a process to collect available levee information from States and communities for inclusion in the NLD. Additionally, the Corps will work with stakeholders to facilitate their use of the NLD for local levee safety programs.

ALLOCATIONS OF FISCAL YEAR 2011—\$15 MILLION

Question. National Levee Inventory—\$10 million to inventory yet to be determined levee miles.

General Van Antwerp. Activities will include: (1) work with States, other Federal agencies, tribes, and communities on the transfer of technology and practices on levee inventory; (2) inventory newly eligible levees within the Corps' authority; (3) operate and maintain the National Levee Database; and (4) prepare a report to Congress on the general condition and consequences of failure of levees within the Corps' authorities.

The Corps is developing policy and procedures required for the implementation of Tolerable Risk Guidelines (TRG) within its Levee Safety program. The TRG build on the TRG policies implemented for the Corps Dam Safety Program, include stakeholder review and feedback, and serve the purpose of providing a framework for consistent, risk-informed decisionmaking on the built levee infrastructure. We anticipate having final policy and procedure completed within the timeframe of the comprehensive Levee Safety Engineering Regulation currently under development and to be published in Jan 2012.

Question. National Committee on Levee Safety—\$5 million to do what?

General Van Antwerp. The National Committee on Levee Safety (NCLS) will work to further develop the governance structure of the Commission, a stakeholder involvement plan, and a strategic plan to implement recommendations in the Report.

NCLS recommendations can be found at <http://www.iwr.usace.army.mil/ncls/>.

Question. What is the plan for completing the National Levee Inventory to the full extent of the WRDA 2007 authorities?

General Van Antwerp. For the inventory and inspection, the Corps is preparing a rollout strategy for the public release of the National Levee Database. There will be different levels of access depending on the user—Federal agency, State/local

agencies, or general public. In the second quarter of fiscal year 2010, the Corps will initiate a survey (the Levee Census) by questionnaire that will define unique identifiers for levee segments and facilitate development of the inventory of levees by name and location. The elements of the survey will contain requirements to determine the number of miles of levees in the national inventory and other key attributes to define the scale of effort in building a comprehensive National Levee Database. By the first quarter of fiscal year 2011, the Corps will finalize a report summarizing the results of the questionnaire and guidance for non-Federal stakeholders to voluntarily provide available levee information.

Once the National Committee on Levee Safety completes further development of recommendations and the strategic plan, this requirement of title IX of WRDA 2007 will be complete in fiscal year 2011.

Question. Is additional authorization needed to expand the National Levee Inventory to include all levees in the Nation?

General Van Antwerp. Currently, title IX of WRDA 2007 only provides the Corps the authority to collect available information for levees outside the Corps' program only if it is voluntarily provided by State or local governmental agencies. Since levee information in many cases is scarce or nonexistent, completing a comprehensive National Levee Database based on available information may not be achievable. The Corps does not have the authority to conduct a one-time inventory and inspections of all levees in the Nation, although such an inventory and inspections could provide the quality of data necessary in a more accurate national inventory that would include the general condition of the levees. The term "inventory" includes surveying/geo-referencing all features of the levee to populate the database. "Inspection" in this case would be defined as the Corps periodic inspection for levees, which is an inspection conducted by a multi-disciplinary team that verifies proper operation and maintenance; evaluates operational adequacy, structural stability and, safety of the system; and compares current design and construction criteria with those in place when the levee was built.

NORTH DAKOTA FLOODS

Question. Based on past experience with the 2008 flooding, what is the Corps doing to prepare (advance measures) for potential flooding in North Dakota?

General Van Antwerp. While there were significant floods in the Midwest (in particular on the Cedar River in Iowa) during 2008, even more experience was gained when a flood of record was set in Fargo, North Dakota during the spring of 2009. The James River Basin, located in North and South Dakota, also set pools of record in 2009 which led to many lessons learned about preparing and installing emergency levees. The greatest lesson learned from the 2008 and 2009 flooding was to engage locals, State, and congressional officials as early as possible.

Since January 2010, the Corps' St. Paul and Omaha Districts have been engaged with the National Weather Service (NWS) and the U.S. Geological Survey in preparing for potential flooding in the Red River basin. The Corps is currently preparing to activate the St. Paul District Emergency Operations Center and to deploy its flood fighting assets for the upcoming flood fight on the Red River of the North river basin. Contracts for emergency construction will be in place up to an entire month prior to the potential flooding.

The Corps has been receiving requests for advanced measures projects and currently has 15 project information reports in various stages, from preparation to review for construction of flood risk management features.

The Corps put flood engineers on the ground this week, meeting with local officials to determine flood fight needs. To date, the Corps has received requests for technical and/or direct assistance from North Dakota's Cass and Richland counties and the cities of Fargo, Lisbon, Oxbow, Enderlin, Grafton, Harwood, North River, Jamestown, LaMoure and Fort Ransom. Corps personnel are currently meeting with these communities and providing technical assistance in preparing for this year's potential flood event.

Corps reservoirs in North Dakota and Western Minnesota are being drawn down to provide the maximum flood control storage in anticipation of the high spring snowmelt runoff. These draw downs are part of our normal operation procedures, but are being coordinated with local agencies because they are being done in an accelerated way.

Question. Does the Corps have adequate resources and funds available?

General Van Antwerp. Funding, supplies and flood fight personnel are expected to be sufficient for a successful flood fight. The States of North Dakota and Minnesota have specific information on the Corps' inventories and understand that we

will release our equipment at their request, once local, county and State materials have been exhausted.

Question. What is the forecast for a potential flood this year?

General Van Antwerp. According to the 2010 National Oceanic and Atmospheric Administration, (NOAA) National Hydrologic Assessment, there is an above average risk of significant flooding across North Dakota this spring. The document notes that early season heavy rain saturated soils which froze deeply before snow fell across the northern Plains, and combined with substantial snowpack, has created an area of above average flood risk.

The area of snow cover is more extensive than last year, creating the potential for a more widespread flooding event. The Red River at Fargo, North Dakota is expected to exceed the major flood stage. Locations that have a greater than 90 percent risk of reaching or exceeding major flood level are Fargo, Abercrombie, Lisbon, Harwood, and West Fargo. Additional locations that have a greater than 50 percent chance of reaching or exceeding major flood level include Wahpeton, Valley City, Halstad, Grand Forks, Oslo, Drayton, Pembina on the Red River of the North, and Grafton on the Park River. Deeply frozen rivers which froze at a high level in the region have created an above average risk of ice jam flooding. The Souris Basin has been spared significant rain so far this winter, but heavy snowfall has resulted in a snowpack that is in many ways comparable to that of last year at this time, especially in the immediate Minot area. The areas north and west of Minot hold less snow and water equivalent overall and continue to decrease upstream of Lake Darling.

Question. Is the ongoing Red River of the North study addressing potential future flooding?

General Van Antwerp. Yes, the study is developing a Watershed Management Plan which will identify possible flood storage locations, provide technical assistance for local communities developing levee plans, and develop detailed models allowing for easier implementation of local plans.

Question. Given the damages resulting from the 2008 floods, what other measures should be taken to lessen impacts from future flooding?

General Van Antwerp. The June 2008 flooding of the Midwest led to a significant amount of Federal disaster flood relief given to victims. The lesson learned for lessening impacts is to start the flood preparations earlier and engage officials many months prior to the expected flood. While there are several actions that should be taken to lessen the impacts of flooding, there is nothing that can eliminate flood risk and impacts.

The best way to lessen the impacts of future flooding is to prevent development in the floodplain. This allows rivers to continue their natural use of the floodplain and ensures that stages in existing developed areas are not increased due to encroachment by additional development. Local governments should enact and enforce strict floodplain development ordinances.

Buying out flood impacted properties and relocating people out of the floodplain is another important way to prevent future damages. The Federal Emergency Management Agency (FEMA) provides some funding for buyouts, but local and State governments are also actively purchasing properties without Federal assistance. When FEMA funds a buyout, the Agency places a deed restriction on the property that prevents future uses of the land, including construction of flood control measures. When local funding is used, no restrictions need to be imposed, so permanent or emergency measures can be built to protect remaining properties.

Other measures that should be considered include constructing levees, diversions, and flood storage where such measures can be justified. Non-structural approaches including raising existing structures above the flood level can also be effective in reducing flood damage. The Corps of Engineers is considering these alternatives in several studies, including the Fargo-Moorhead Metro feasibility study, the Fargo-Moorhead and Upstream study, the Red River Watershed Study, and the reconnaissance studies for the Sheyenne River Basin and Valley City, North Dakota.

Finally, all property owners located in or near a floodplain should purchase flood insurance through the National Flood Insurance Program. Although this will not prevent flood damage or the personal disruption caused by flooding, it does mitigate the financial risk to individuals.

FARGO-MOORHEAD

Question. When will the Fargo-Moorhead Metro study be completed?

General Van Antwerp. The study is currently on an aggressive schedule for a Chief of Engineers report to be completed by December 2010.

Question. What is the likelihood that the Federal Government would recommend and cost share a 35,000 cfs Minnesota diversion?

General Van Antwerp. The National Economic Development (NED) plan is still undergoing refinement. Initial results identified it as a 20,000 cfs diversion through Minnesota, but, there now appear to be a number of factors supporting a larger Minnesota diversion as the NED plan. The next step is for the Corps to fully develop the rationale for recommending a larger plan, and then submit a request for a waiver of the NED plan in favor of selecting a larger plan as the Federal supported improvement plan to the Assistant Secretary of the Army (Civil Works) for approval.

Question. Would the administration support and budget for a North Dakota diversion as a locally preferred plan?

Ms. Darcy. A Locally Preferred Plan (LPP) has not been identified by the local interests. Once an LPP is identified, it would require administration review and approval. While preliminary coordination has been initiated, administration support of a North Dakota diversion as an LPP is subject to review of documents supporting the plan. A locally preferred plan with the non-Federal sponsor bearing the costs above the NED plan and a BCR above 1.0-to-1 would be consistent with long-standing policy. However, whether the project would be budgeted is a future decision, and the project would need to compete with other worthy projects for funding in the President's budget.

DEVILS LAKE LEVEE RAISE

Question. What is the status of the Devils Lake embankment raise and are there any issues that could delay construction?

General Van Antwerp. Phase 1 construction is ongoing and the Independent External Peer Review for this work is scheduled for completion on March 24, 2010 so the Notice to Proceed on the embankment work can be issued. The design is being completed on Phase 2, although due to poor soils and additional design challenges, the decision has been made to split the work into 2 contracts. Phase 2A is scheduled to be advertised later this summer. The Corps is continuing to work with the city and local residents to ensure the project is completed in a timely and safe manner, although there are a number of challenges to be addressed. Issues that could delay construction include: (1) acquisition of the real estate on an aggressive schedule, including the relocation of homes and businesses; (2) completion of the environmental review; and (3) addressing the poor soil conditions to ensure the structure can be constructed safely while under load (holding back water).

Question. Does the project provide 100-year flood protection?

General Van Antwerp. No Sir. Previously, the Corps provided a letter to FEMA stating that there was reasonable assurance that the embankment could contain the 1 percent event. Since then, the lake has risen such that the position taken in that letter is no longer applicable. An updated letter is being prepared at FEMA's request. One hundred-year protection will not be achievable until the entire alignment is complete.

BAYOU METO, AR&LA

Question. This project was funded in fiscal year 2010 for construction. Has the Project Partnering Agreement (PPA) been signed by the sponsor?

Ms. Darcy. No, the PPA has not been signed by the sponsor.

Question. Why did this project not receive ARRA funds?

Ms. Darcy. During initial identification of projects to receive ARRA funds in the April 2009 timeframe this project had not received construction funds and, therefore, was considered to be a new project. ARRA specifically prohibits funding new Civil Works projects with ARRA funds.

GRAND PRAIRIE, AR

Question. What is the status of the Grand Prairie project?

General Van Antwerp. Construction is continuing on the Grand Prairie project under a PPA executed in June 2000. The project sponsor continues to provide their share of project costs. Four items are currently ready to be advertised: (1) DeValls Bluff, AR Pumping Station sub-structure \$6.5 million Federal share; (2) DeValls Bluff, AR Pumping Station super-structure, pending Federal funds \$21.7 million; (3) DeValls Bluff, AR Pumping Station discharge and outlet structure, pending Federal funds \$16.8 million; and (4) DeValls Bluff, AR Pumping Station electrical sub-station, pending Federal funds \$3 million.

Question. This project has work ready to be executed that meets the criteria for ARRA funds. Why wasn't this project funded with ARRA funds?

Ms. Darcy. There are more projects eligible for funding than there is ARRA funding available. Therefore, this project, like many others, competed for these funds and the determination was made that there were other more worthy projects that provide a high return on investment in the Corps traditional mission areas of flood damage reduction, navigation, and environmental restoration.

OZARK-JETA TAYLOR PROJECT, AR

Question. I note that this powerhouse rehab project is not in your budget this year. Why?

General Van Antwerp. Ozark-Jeta Taylor, Powerhouse Rehab, AR project is not in the budget because it did not meet the performance-based construction guidelines used to prioritize projects in the fiscal year 2011 budget.

Question. Last fiscal year you used ARRA funds to avoid terminating the contract. Is lack of funding in the fiscal year 2011 budget going to again force you to consider a contract termination?

General Van Antwerp. Customer funding will be requested through the Southwestern Power Administration (SWPA) to fund anticipated contractor earnings in fiscal year 2011. If SWPA is unable to obtain Customer funding, the Corps will proceed under the provisions of the "special" continuing contract clause to terminate the contract at the convenience of the Government. The Corps anticipates making a decision on the way forward within the next couple of months.

Question. How much will it cost to terminate the contract versus provide funding in fiscal year 2011?

General Van Antwerp. It will cost \$20 million to terminate the contract. The Corps could use \$23.5 million in fiscal year 2011 but I must add that the capability estimate for each study or project is the Army Corps of Engineers estimate for the most that it could obligate efficiently during the fiscal year for that study or project. However, each capability estimate is made without reference to limitations on manpower, equipment, and other resources across the Army Civil Works program, so the sum of the capability estimates exceeds the amount that the Corps actually could obligate in a single fiscal year.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

Question. In June 2009, the administration released a Memorandum of Understanding (MOU) entitled "Implementing the Interagency Action Plan on Appalachian Surface Coal Mining."

The MOU noted that "Federal agencies will work . . . to help diversify and strengthen the Appalachian regional economy and promote the health and welfare of Appalachian communities. This interagency effort will have a special focus on stimulating clean enterprise and green jobs development. . . ."

How will the Corps implement this new focus during its review and prioritization of projects and proposed activities? For instance, how will the Corps exercise a special focus on economic diversification and clean enterprise, during the course of conducting its "public interest review" of proposed activities?

General Van Antwerp. Stimulation of clean enterprise and green jobs development may result in increased project permit applications requiring authorization to discharge fill material into waters of the United States. If these projects would result in the construction and implementation of energy projects, they would receive higher priority regulatory review from the Corps over non-energy related projects. This higher priority review for energy-related projects is based on both the Corps implementing regulations for section 404 of the Clean Water Act and Executive Order 13212.

In accordance with 33 CFR 320.4(n), district engineers will give high priority to the processing of permit actions involving energy projects. Further, under Presidential Executive Order (EO) 13212, dated July 30, 2001, all Federal agencies have been directed to expedite their review of permits for energy-related projects or take other actions as necessary to accelerate the completion of such projects, while maintaining safety, public health, and environmental protections.

With respect to the Corps' public interest review, the decision whether to issue a section 404 permit is based, in part, on an evaluation of the probable impact, including cumulative impacts, of the proposed activity on the public interest. Decisions reflect the national concern for both protection and utilization of important resources. The benefit, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. All factors that may be relevant to the proposal will be considered, including the cumulative effects thereof; among those are: conservation, economics, aesthetics, general environ-

mental concerns, wetlands, historic properties, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership and, in general, the needs and welfare of the people. Any positive effects of a proposed project are balanced against any foreseeable negative effects the activity would have on relevant factors within the Corps' scope of Federal control and responsibility. AA permit will be issued if the project is found not to be contrary to the public interest.

Question. What new resources is the administration requesting for the Corps to advance economic diversification in Appalachia?

General Van Antwerp. The Corps does not have a specific action in this area.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

Question. The Army Corps of Engineers operates or has authority over a large quantity of space behind dams for flood control purposes. California is still recovering from 3 years of drought, and the water situation is likely to remain critical, or near critical, for years to come.

To what extent can the Army Corps reoperate, or change the management, of some of its projects to consider water supply benefits in key areas across the State, including those on tributaries to the Sacramento-San Joaquin Delta, and on rivers and streams throughout Southern California?

Will you report back on potential for water supply benefits from projects like Whittier Narrows, Prado Dam, Hanson Dam, and Seven Oaks?

Ms. Darcy. There may be potential for additional water supply benefits from existing Corps flood control reservoirs throughout California. The Army recognizes the balance to address flood risk management and dam safety, along with the safety of the public and water supply demands. Currently, the Army is coordinating with co-operators to operate the reservoirs for both flood control and future water supply during these critical dry years. In those instances where there is potential for significant water supply benefits, an appropriate means of addressing improved reliability of water supply would be to seek reauthorization to reallocate reservoir storage and add water supply as a project purpose in those cases where it is not already an authorized project purpose.

Additionally, there are ongoing feasibility studies to assess water supply and conservation. For example, the Army is conducting a Reservoir Re-operation study as part of the Central Valley Integrated Flood Risk Management Study. The Corps is completing a water quality study and evaluation of water conservation at the Seven Oaks Dam as part of the Santa Ana River Mainstem project. Also, issues such as water conservation and addressing Dam Safety related to the Whittier Narrows dam are being assessed. These studies have potential to provide water supply benefits at existing projects.

Question. I am concerned about the Dam Safety Assurance Program. This program is supposed to fund the most critical dam improvement projects in the Nation. However, the President's budget only includes \$49.1 million. I understand that the capability for the program is \$70.4 million.

Why is the President's budget not at the Corps Capability for this program? Is Dam Safety a top priority for this administration?

Ms. Darcy. Individual dam safety, seepage and instability correction projects that are budgeted for construction are funded at capability, and are funded in the 2011 budget to a total of \$446 million. The separate line-item for planning and design of additional such projects—the Dam Safety and Seepage/Stability Correction Program (DSS)—is funded at \$49.1 million, which will be allocated to priority dam safety studies and design. The amount was determined to be the correct amount for fiscal year 2011, in consideration of funding available overall for the Civil Works program.

Question. The Corp is developing new national policies for the allowance and/or removal of trees and other vegetation from levee projects. Meanwhile, the Corps has participated in a collaborative effort with the State of California to develop vegetation-removal guidelines for the Central Valley. This collaborative effort holds promise for reaching a reasonable and balanced program for assuring levee integrity and, at the same time, taking into consideration unique circumstances and resources found in many areas in the Central Valley, and the Corps' past involvement with the region's levees.

Can you assure me that your national policy will embrace and be fully compatible with situations like those found in the Central Valley? How will the national guidance accommodate the collaborative effort you've participated in for California?

General Van Antwerp. The Army is committed to collaborating with California and other stakeholders in flood risk management in a systematic manner. The implementation of system-wide flood risk management strategies such as the one developed for the Central Valley is one of the Corps' top priorities for water resources actions nationwide. National policies for vegetation are incorporated into the collaborative solutions developed and implemented to address both national resource and public safety goals. The California Framework Agreement will continue to be the guiding document as the State of California continues to develop its long-term plan to resolve vegetation issues; a plan we understand will be finalized in July 2012.

Question. The administration included two new construction starts in the Corps' portion of the President's fiscal year 2011 budget. How were the two "new starts" in the President's budget selected? What criteria were used? What did the administration hope to demonstrate through selection of these particular projects?

Ms. Darcy. The two projects are priorities that demonstrate this administration's commitment to Ecosystem Restoration and non-structural solutions to water resource challenges.

Question. The President's budget request reduced the enacted funding level for the Corps by \$500 million. This has been cited by some as a reason to keep new starts to a minimum. On the other hand, it could also be argued that, in tight budget times, it is even more important to make the best possible use of scarce resources, and that some old projects should be discontinued, while newer projects that represent a better way of doing business are moved forward.

Will the administration be reviewing priorities to determine whether some projects should be scaled back or discontinued in order to allow construction to begin on newer and better designed projects that contribute more significantly to national public safety and environmental goals?

Ms. Darcy. As in previous years, the administration's budgets for the Army Corps of Engineers will focus funding on those projects with the highest net economic and environmental returns to the Nation, highest contributions to reducing risk to human safety, and highest contributions to environmental restoration in order to efficiently realize the benefits of those projects. New starts are not precluded as a general rule. The selection process focuses on the highest return studies and projects that are the administration priorities for that particular year.

SPECIFIC CALIFORNIA PROJECTS

Question. In February, I wrote to you about the dam safety seismic remediation project at Success Dam. I appreciate the response I received this week to that letter. However, the lack of funding in the President's budget for this project continues to concern me about this project and the Army Corps of Engineers' commitment to dam safety in general.

Why was there not enough funding in the President's budget to do anything on this project in fiscal year 2011, now that real estate acquisitions and construction are ready to move forward?

Is Success Dam no longer a safety threat?

Ms. Darcy. The Army is committed to dam safety and regards public safety as a crucial mission and obligation to our Nation. The Corps is prioritizing dam study and repair nationally, based on risk informed decisions to maximize benefits of our dam safety investments. There are risks associated with Success Dam, but other Corps projects pose greater concern at this time, based on the Corps improved understanding of structural performance and risk consequences.

Even though Success Dam is not in the highest risk class, the study is still underway. In 2010, past and present study methods are being analyzed to determine if the overall project approach can be revised to reduce risk in a more cost effective and timely manner. Also, interim risk reduction planning has been performed to provide the downstream communities additional levels of flood risk reduction. The interim safety measures will remain active until the remediation is complete.

Question. Hamilton City Flood Control is a project in my State of California that will produce both flood risk reduction and ecosystem restoration benefits. It involves construction of a new 6.8 mile-long set-back levee to provide enhanced protection for an economically challenged community of 2,500 on the Sacramento River while reconnecting over 1,400 acres of floodplain to the river—allowing for ecosystem restoration that benefits several species listed as threatened or endangered. It will also provide enhanced protection for the community's sewage treatment plant, and therefore produces water quality benefits.

It has been cited as a model for collaboration among diverse stakeholders, and for achieving multiple societal goals simultaneously. It would seem to be an excellent

example of a new and better way of doing business at the Corps. It is also ready to go. Design is complete, and the non-Federal cost-share has been secured.

Since this project appears to encapsulate the administration's goals for multi-benefit projects, I believe it would be an excellent project for consideration in the President's fiscal year 2012 budget. What else does the Hamilton City project need to do to be included in the President's fiscal year 2012 budget?

Ms. Darcy. The Hamilton City project satisfies the administration goals and objectives by emphasizing Ecosystem Restoration solutions to water resource challenges. This multipurpose project also meets numerous State, local and other non-governmental agencies objectives and goals for public safety, environmental stewardship and restoration.

The project's design phase is fully funded and the Corps expects to complete it this year. The project will be considered along with other high performing projects in the Nation for consideration by the administration for New Starts in fiscal year 2012.

Question. Last November, I wrote to alert you that the Sacramento District had encountered a cost-increase for their scheduled repairs to Marysville Ring Levee, which surrounds and protects the 12,000 residents of the city of Marysville. Construction on Marysville, a separable element of the Federal authorized Yuba River Basin Project, is scheduled to begin in August. I understand you are personally working with the State of California and the local sponsors to close the funding shortfall to take advantage of the construction season, so several functional segments can be completed all at once.

What is the status of your efforts to secure the additional funds the District needs for this project?

Ms. Darcy. The Yuba River Basin, Marysville Ring Levee Phase 1 contract has been allocated sufficient ARRA funds. The contract award is scheduled for the summer of 2010, pending completion of the Engineering Design Report and execution of the amended Project Partnership Agreement.

Question. The Napa River Flood Protection Project has been the premiere flood protection/multiple purpose project of the Corps for the last 10 years and I appreciate the commitment made to the project by this administration, both in last year's budget and by providing almost \$100 million from the American Recovery and Reinvestment Act. This is the type of project the Corps should be proud of: a project that delivers 100-year flood protection, creates over 700 acres of tidal wetland, and will lead to the economic rebirth of a flood prone community.

What is your plan to keep this project on schedule and to move it aggressively toward completion?

General Van Antwerp. The Napa Salt Marsh project, rather than the Napa River flood risk reduction project, is the project that would provide 700 acres of tidal wetland. The Napa Salt Marsh project is funded in the fiscal year 2011 budget. Because the project is quite large and complex and construction activities are accelerating, the Corps recently has increased public outreach efforts. Weekly meetings are held with the local sponsor, County of Napa—Flood Control and Water Conservation District, and the city of Napa so that any issues related to effects of ongoing construction activities on local businesses and residences are quickly addressed. Short term schedules are posted on the current contractor's Web site. Meetings with area residences and businesses are held in advance of upcoming work to seek input and make adjustments to construction work efforts, where practical, to accommodate their suggestions.

With ongoing construction occurring in Napa, the Corps recognizes the need to continue design efforts and assess the Federal interest on the remaining project features. The Corps is striving to have the next design contract completed as soon as possible.

Question. Murrieta Creek Flood Protection and Environmental Restoration is a similar multi-benefit project in southern California, which will also deliver 100-year flood protection, restore a riparian habitat corridor, create 160 acres of wildlife habitat, and develop a 55-acre regional sports park. Since fiscal year 2004, Congress has provided \$14 million for construction of the Murrieta Creek project. However, we have seen little movement by the Corps in constructing the project and yet the Corps spends the funds on non-construction tasks, including project management.

Will you provide a full accounting of where the funding we have appropriated has gone? What are the administrative costs that are causing this funding to be spent without any physical results?

General Van Antwerp. From fiscal year 2003 to fiscal year 2010, appropriations for Murrieta Creek Project totals \$16,062,000. During this same period, a total amount of \$537,000 was lost to Savings and Slippage (S&S), and/or Rescission. A

total of \$3,455,000 was reprogrammed into the project, for a total work allowance of \$18,980,000 (see Table below).

SUMMARY OF PROJECT CONSTRUCTION FUNDING (2003 TO 2010)

Fiscal Year	Conference	Savings and Slippage (S&S)	Rescission	Initial Work Allowance (IWA)	Net Reprogramming	Final Work Allowance
2003	\$1,000,000	(\$179,000)	(\$6,000)	\$815,000	\$254,000	\$1,069,000
2004	1,000,000	(141,000)	(5,000)	854,000	2,869,000	3,723,000
2005	1,500,000	(157,000)	(11,000)	1,332,000	370,000	1,702,000
2006	3,750,000	.....	(38,000)	3,712,000	(38,000)	3,674,000
2007	1,760,000	.....	.....	1,760,000	.....	1,760,000
2008	1,813,000	.....	.....	1,813,000	.....	1,813,000
2009	3,349,000	.....	.....	3,349,000	.....	3,349,000
2010	1,890,000	.....	.....	1,890,000	.....	1,890,000

The physical construction for Phase 1 of the Murrieta Creek project was completed in fiscal year 2004 for total cost of approximately \$3 million. In 2005, this completed portion was damaged during the 2005 flood season. Emergency repairs and upgrades incurred a total cost of approximately \$3.6 million. In addition, annual O&M and environmental and water quality monitoring costs of this completed portion are paid for by project funds until this phase is turned over to the sponsor. Supervision and administration costs for the project are slightly over \$500,000 through fiscal year 2009.

On the non-construction costs, engineering and design costs for the project totals to approximately \$11 million. In addition to already completed engineering design and environmental documentation products, these costs include on-going work such as the following: (1) development of the Design Documentation Report which includes Sponsor's request to do technical analysis of other alternatives for the basin design; (2) preliminary design to include the ecological restoration and recreation features of the basin to its flood control feature are also being made; and (3) plans and specs for Phase 2 are near completion after several modifications to address several constraints and issues.

Design of Phase 1A is also being prepared to account for necessary design changes due to the Metropolitan Water District's requirements. The Environmental Assessment reports for Phase 1A and Phase 2 are being developed. In addition, the presence of nesting birds requires a section 7 consultation and therefore, more coordination with U.S. Fish and Wildlife Service. Our environmental and water quality monitoring produced reports to assure compliance with water quality and the project mitigation requirements.

The following summarizes the total project expenditures through fiscal year 2009:

Work Category	Federal Expenditures Through Fiscal Year 2009
Lands	\$41,268
Relocations .....	.....
Ecosystem Restoration .....	.....
Channels	3,348,830
Recreation .....	.....
Pre-construction Engineering and Design	1,492,000
Engineering and Design	11,261,621
Supervision and Administration	564,655
Total	16,708,374

Question. The local sponsor, the Riverside County Flood Control and Water Conservation District, is working to develop an innovative, more cost-effective alternative to the basin design which the community prefers to the Corps' plan which we believe will reduce costs and increase the benefit/cost ratio significantly.

Will you commit the Corps to reviewing the sponsor's cost reduction recommendations, including more cost-effective designs, in order to find a more economical project that the administration can budget?

General Van Antwerp. The Corps' Los Angeles District is working with the Riverside County Flood Control and Water Conservation District and the Cities of Murrieta and Temecula in an effort to move the project forward. In October 2009, there was a meeting to discuss available options to start construction of Phase 1A

and Phase 2. The Corps has committed to reviewing recommendations for a more cost-effective design and to continue to work to move the project forward.

Question. The Llagas Creek Flood Protection Project, will provide flood protection for 1,100 homes, 500 businesses and over 1,300 acres of agricultural land and preserve the creek's habitat, fish and wildlife. This project was initiated in 1954 and is only 60 percent and the adjoining communities continue to flood on a regular basis.

Despite regular appropriations, this project has not progressed well. What can the Army Corps do to prioritize this project for implementation in order to complete construction within the next several years?

General Van Antwerp. The project cost sharing is inconsistent with standard Corps cost-shares and due to low performance, the project does not compete well for funding against other Corps projects. However, the Corps will continue to evaluate this project for funding during budget development.

Question. The South San Francisco Bay Shoreline Project will provide flood protection to Silicon Valley from the existing, deficient non-engineered levees where tidal flooding and land subsidence occur along with the real risk of sea level rise. I have been advised that, even though the Corps commits to schedules and budgets, the feasibility study which was projected to cost approximately \$12 million and be completed in 5 years, now is estimated to cost \$25 million and will be completed in 10 years. This is unacceptable.

One solution to moving the project quickly is for the San Francisco District to work more collaboratively with the local sponsors, both to allow them to advance portions of the project to provide flood protection and to allow the sponsors to complete certain pieces, or even the remainder of the feasibility report, in concert with the Corps to reduce costs and expedite the schedule significantly.

Will you report back on positive efforts to facilitate these steps and recommend other innovative approaches to allow for securing expedited completion and approval of the Chief's Report for the Project and initiation of Corps' consideration?

General Van Antwerp. Although progress on the Shoreline Study has been slower than originally anticipated, the Corps will complete the without-project phase of the planning process in August 2010. This major milestone will identify existing and future tidal flood risks and associated economic damages to the South Bay communities should a project never be built. The Corps continues to work closely with the sponsors. One-half of the study costs (\$12.5 million) will be provided by the sponsors primarily as in-kind credit for contracts they are managing and staff time to participate in the study in an integral way through meetings and technical reviews.

The Corps is assisting the sponsors in applying the technical analysis to develop smaller, early implementation projects for flood risk management under our section 104 authority that they can move forward with on their own. This work in advance of a Corps authorized project will help bring flood protection to the communities most at risk sooner, and provide early restoration opportunities. If these projects become part of the authorized project the local sponsors can receive credit during construction for the work they perform. Although there is an authority under Navigation studies for a local sponsor to complete a feasibility report on their own, no such authority exists for Flood Risk Management studies.

The with-project phase of our planning process includes the development and evaluation of alternatives for both flood risk management and ecosystem restoration. Due to the complexity of the hydrodynamic modeling within the study area and multi-purpose planning challenges, we have scheduled a significant amount of time for this effort. We are assessing every possible way to streamline the evaluation and comparison of project alternatives with the goal of shortening the schedule.

Other options to consider are to continue with a single purpose plan of Flood Risk Management, or to reduce the geographic scope of this first study. The goal is to collaborate with both the Conservancy and Santa Clara Valley Water District in developing a plan to move forward in the most expeditious and beneficial manner for all parties.

Question. As stated in the Assistant Secretary's testimony, the Hamilton Airfield Wetlands Restoration-Bel Marin Keys Project is one of the Army Corps' premier wetlands restoration projects. However, I am concerned about reports I am hearing of how the project is being implemented and I believe your personal involvement is required.

First, I was recently made aware that after about a year of negotiating the Project Cooperation Agreement to include the authorization of the Bel Marin Keys V portion of the project into the base Hamilton Project at the authorized cost-sharing of 75 percent/25 percent in the Corps' own documents, that in the last month the Corps made the decision to change the cost-sharing to 65 percent/35 percent.

Second, while the project is authorized at a total of \$228 million, last year the San Francisco District estimated the total cost would be \$500 million. This year, the Corps came back with an estimate of \$300 million, but could not detail for the local sponsor how much dredged material that amount would move, nor could they quantify the minimum amount of dredge material needed to meet the habitat goals. This inability to determine the total cost of this project is concerning.

Can you report back to me on both of these issues?

General Van Antwerp. Because of changes to project authorities, the cost share did start out as 75/25 and is now 65/35. Specifically, section 2037 of WRDA 2007 amended the section 204 authorization the project was started under to increase the non-Federal cost share to 35 percent. WRDA 2007 modified the Hamilton Wetland Restoration Project (HWRP) to add the Bel Marin Keys Unit V (BMK) site to the existing project at a first cost of \$228.1 million. The authorized fully funded total project cost estimate for the combined project, escalated to today's dollars is \$267 million. This estimate assumes that the total project will be constructed with the expected amount of dredged material and environmental outputs of the project as specified in the Chief's Report.

SACRAMENTO

Question. The Sacramento Area Flood Control Agency and the California Department of Water Resources are collaborating on urgently needed levee improvements for the Natomas basin, in close cooperation with the Army Corps of Engineers. In fact, the Corps is preparing a Post-Authorization Change Report (PACR) to support the Federal component of the project. The Corps has committed to completing the PACR this summer, in time for Congress to act on as it considers authorization of water projects.

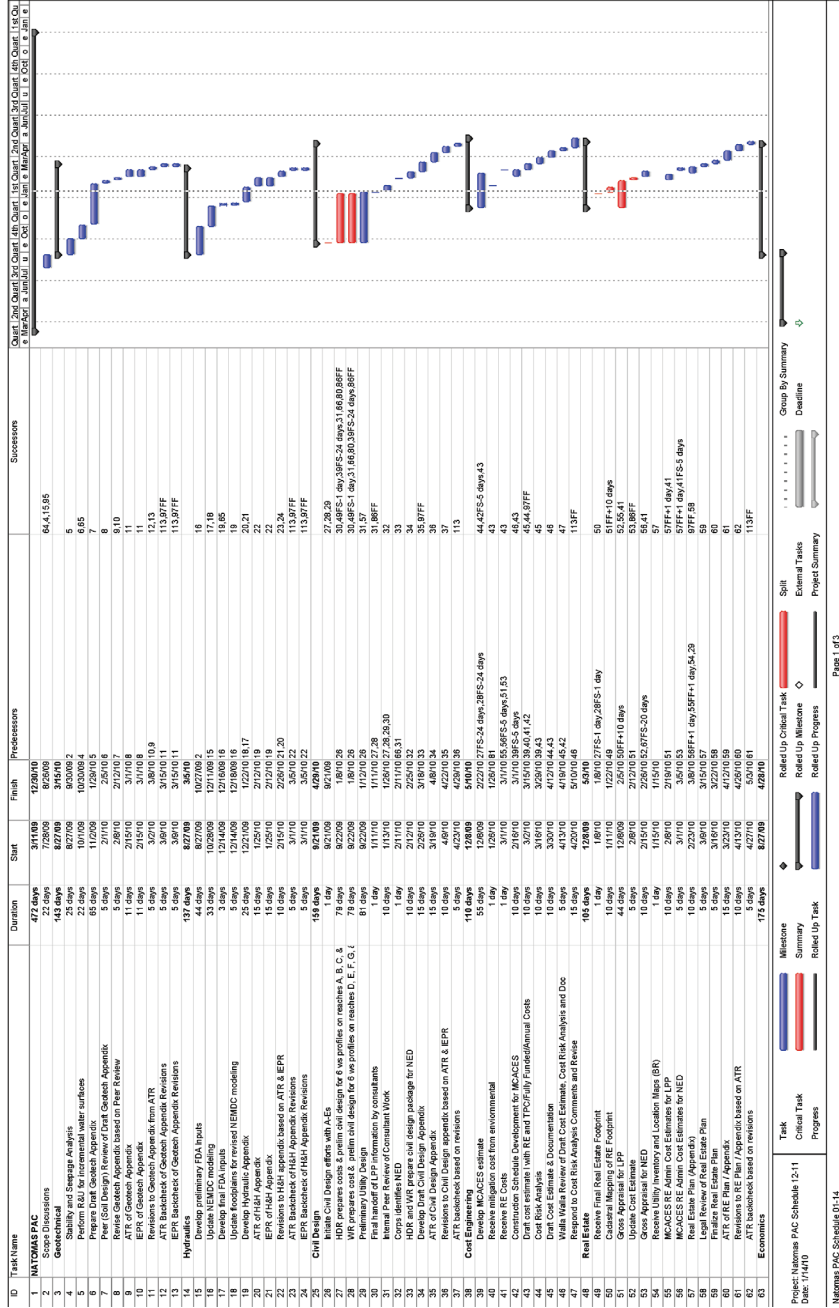
Can you confirm the Corps' schedule and commitment to this project? Please provide a detailed schedule for completion of the PACR.

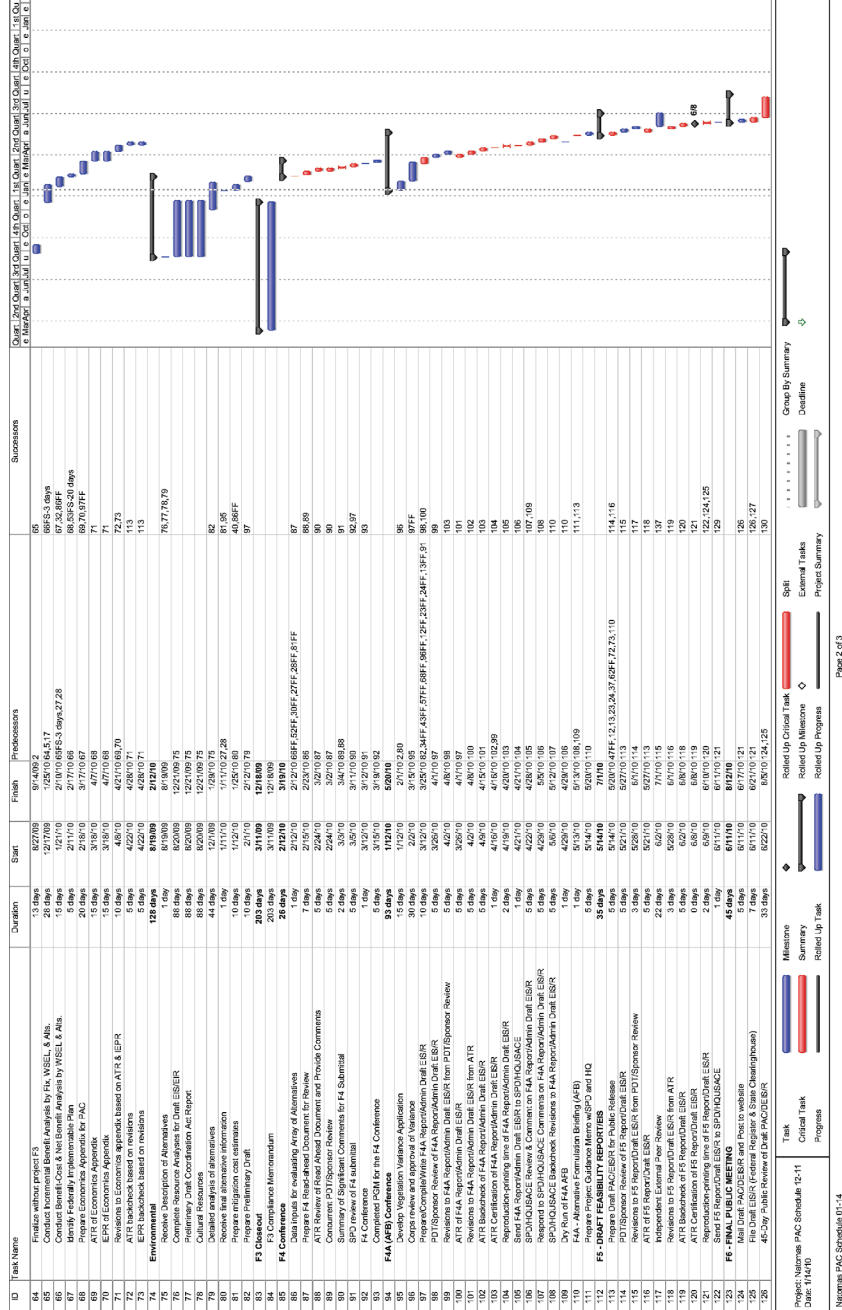
General Van Antwerp. The Corps is committed to the Natomas Basin project, including executing in accordance with the following schedule:

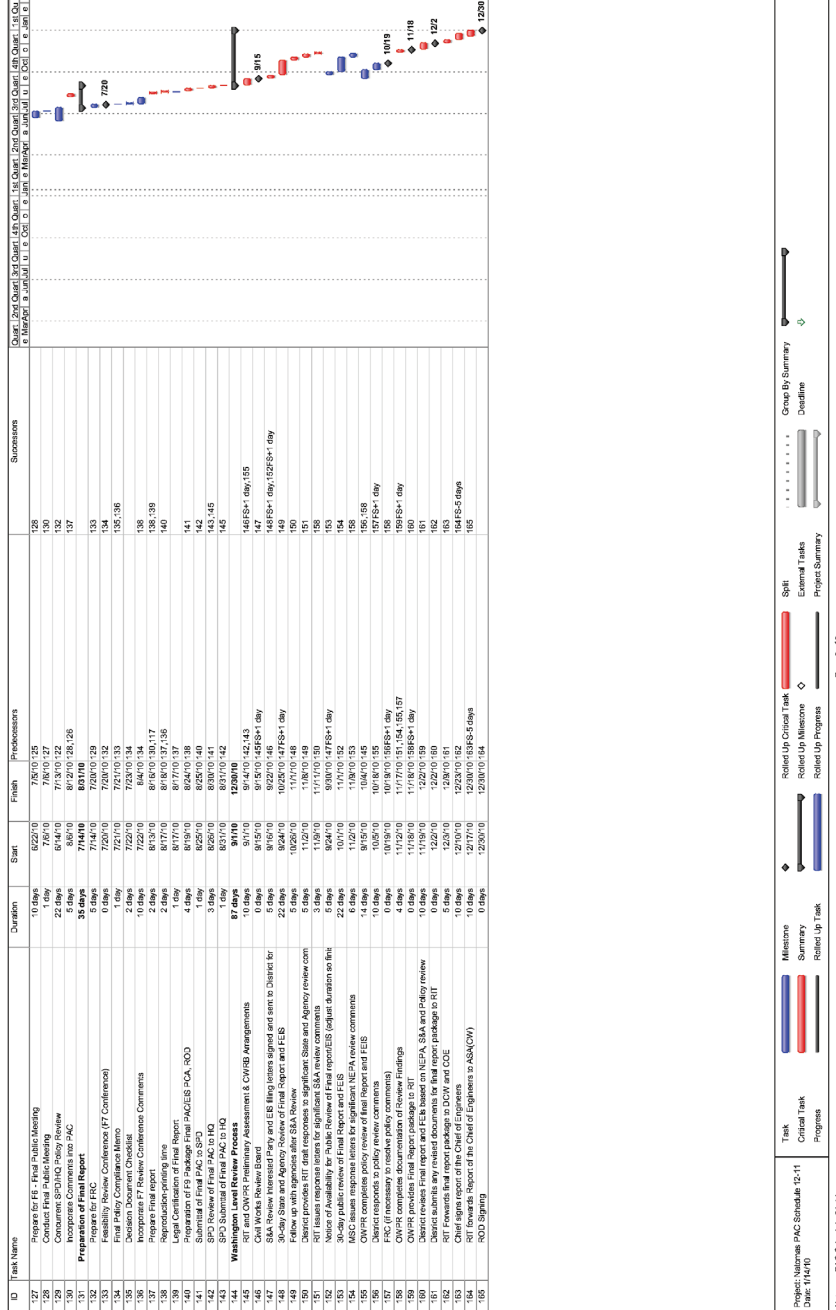
Schedule American River Common Features (ARCF) Post Authorization Change Report:

- Complete the draft Post-Authorization Change (PAC) by June 15, 2010.
- Submit the final PAC package to HQ by August 31, 2010.
- Sign Chief's Report by December 31, 2010.

The Chief's Report for the ARCF GRR is scheduled for December 31, 2010.







Question. Greater Sacramento remains one of the most at-risk urban areas in the Nation. I want to acknowledge my appreciation that the President's budget once again includes funding for Sacramento area flood control projects. However, several projects, especially the American River Watershed "Common Features" project and the Folsom Dam Modification project are at the point of heavy construction activity.

Do you anticipate that the administration will support the large funding requirements that are necessary to keep these projects on schedule?

Ms. Darcy. I cannot commit to future budget amounts, since those are future decisions. However, I can affirm that this project has consistently been considered a priority.

Question. The Sacramento Area Flood Control Agency and California Department of Water Resources are working together to lead what I believe is a perfect example of non-Federal initiative for initiating and financing major flood control works in the Natomas Basin. I believe this could serve as a model for more collaborative Federal/non-Federal partnerships nationwide, which can move needed projects forward more efficiently and leverage limited Federal resources.

Would you consider reviewing this model as a potential template for future partnerships?

Ms. Darcy. Yes, we will review this model. Non-Federal partners, the State of California and SAFCA have been outstanding partners and instrumental in assisting the Corps move forward quickly and effectively on this project.

QUESTIONS SUBMITTED BY SENATOR ROBERT F. BENNETT

LOUISIANA COASTAL AREA (LCA)

Question. The budget request includes a new start in the Construction account, one for the Louisiana Coastal Area ecosystem restoration project. Can construction on the Louisiana Coastal Area project be initiated in fiscal year 2011, given the status of the planning study?

General Van Antwerp. Provided that LCA project reports favorably complete the administration review process, yes, construction can be initiated in fiscal year 2011. The LCA study farthest along is for the Beneficial Use of Dredged Material (BUDMAT) Program. The programmatic feasibility study for BUDMAT was submitted by the Corps to my office in March 2010 for review. The study outlines a framework for using material generated through maintenance dredging of authorized channels for restoration efforts.

The BUDMAT study provides criteria for identifying individual projects that could proceed after completing the relevant planning and environmental studies. Pre-construction engineering and design of the first BUDMAT projects will start in late fiscal year 2010, with construction of those individual projects expected to be initiated in fiscal year 2011.

Question. Can you assure us today that the funding would result in on the ground projects if it was included in an appropriation bill?

General Van Antwerp. If the LCA BUDMAT Program report receives a favorable administration review, the Corps is prepared to work with the State of Louisiana to execute a Project Partnership Agreements in fiscal year 2010 in preparation to begin construction in fiscal year 2011. The Corps will capitalize on the scheduled maintenance dredging at authorized channels where the material can be used for restoration projects that meet the LCA Program objectives.

Question. The Louisiana coast continues to be negatively impacted from subsidence and sea level rise. Beyond the near term benefit of wetland restoration, how will the work proposed under the LCA account for these factors. Are we essentially wasting our money for very short term gains?

General Van Antwerp. Sea level rise and subsidence were factors in developing the plans for the LCA projects. While the projects cannot stop sea level rise and subsidence, the projects can slow down the disappearance of the landforms by eliminating some of the causes of coastal erosion. The addition of sediments through direct placement or river diversions will increase the ability of the restored area to continue to function and provide habitat with minimum continuing intervention over time. The soft, fluid Louisiana coastal formations erode in nature, and the services produced by a given project will change as the land erodes. The landforms continue to function as coastal habitats and ecosystem regulators even though they do not maintain their original construction footprint.

Question. Will the LCA project actually restore the Louisiana coast? It appears to me that the best you will be able to accomplish with this program is perhaps to reduce the current loss of wetlands. Even that goal is unclear if it can be met. How

do you justify spending funds to initiate construction on something that has such speculative benefit?

General Van Antwerp. The projects identified in the LCA 2004 report are restoration elements that could be implemented in the near term to address critical needs of the Louisiana coast. As indicated in the LCA 2004 report, the design and operation of these features would reduce the current rate of loss, maintain the opportunity for, and support the development of large-scale, long range comprehensive coastal restoration.

The near term projects are intended to work in concert with each other to improve the sustainability of the Louisiana coast. Maintaining natural landscape features and hydrologic processes is critical to sustainable ecosystem structures and functions. The Louisiana coastline represents 90 percent of the wetlands in the contiguous United States and is currently disappearing at an alarming rate. This unique and scarce habitat has high fish and wildlife values and serves to protect nationally important oil and gas infrastructure, as well as coastal communities and cultures.

Question. Why is the LCA project more of a priority for the administration than other restoration projects?

Ms. Darcy. Execution of the LCA projects would make significant progress toward achieving and sustaining a coastal ecosystem that can support and protect the environment, economy, and culture of southern Louisiana and thus, contribute to the economy and well-being of the Nation.

With no action the capacity of the coastal wetlands to buffer storm surges from tropical storm events will diminish, which will increase the risk of significant damage to oil, gas, transportation, water supply and other private and public infrastructure and agriculture lands and urban areas. A continued decline of the natural ecosystem will result in a decrease in various functions and values associated with wetlands, including corresponding diminished biological productivity and increased risk to critical habitat of Federal-listed threatened and endangered species.

Question. Why is funding included in both the GI and the construction accounts?

Ms. Darcy. For fiscal year 2011, funds from the Investigations account would be used to continue the feasibility level analysis for components of the LCA Program and funds from the Construction account will be used to undertake construction for those components where construction can be initiated.

Question. WRDA 07 conditionally authorized six projects subject to a favorable report of the Chief of Engineers not later than December 2010. Are you on schedule to meet this report requirement?

Ms. Darcy. The Corps and the State of Louisiana are currently on schedule to have a signed favorable report of the Chief of Engineers Report by December 2010.

GENERAL BUDGET QUESTIONS

Question. Understanding that development of the budget is an iterative process between the agency and the administration, is it safe to assume that the Corps initial budget request to OMB differed from what we have before us today?

Ms. Darcy. The Corps' recommendations are the foundation of the Army's budget recommendations to the President. The advice and counsel leading up to the Army's recommendations are part of the internal deliberative process.

Question. Without going into specific projects are funding levels, can you tell us a little bit about how it might have differed?

Ms. Darcy. The President must make government-wide budget decisions in consideration of his the overall policy, spending and deficit goals. In order to provide the President the full benefit of advice from the agencies and departments, budget deliberations are considered to be pre-decisional, internal information.

Question. Was the initial amount that the Corps recommended higher than what is before us today?

Ms. Darcy. The advice and counsel leading up to the recommendations that form the basis of the President's budget are part of the internal deliberative process and are considered confidential advice to the President.

Question. Was a specific area or business line of the budget request more impacted by the budgetary criteria?

Ms. Darcy. The budget is performance based, and benefit cost ratio (BCR) is a primary allocation metric. Some business lines are more likely to carry higher benefit-to-cost ratios, although consideration also is given to reducing risks to human life and providing important environmental restoration benefits.

YAZOO BACKWATER

Question. Why does the fiscal year 2011 budget propose to cancel \$58 million previously appropriated for the Yazoo Backwater project?

Ms. Darcy. As a result of Environmental Protection Agency's (EPA) veto of the Yazoo Backwater Pumps Project under section 404(c) of the National Environmental Policy Act, the project cannot proceed and, therefore, the funds appropriated specifically for implementation of the Yazoo Backwater pumps project are not needed.

Question. Will this cancellation affect completion of the center associated with the Theodore Roosevelt National Wildlife Refuge?

Ms. Darcy. The requirement of the fiscal year 2009 Omnibus Appropriation Act that some of the funding appropriated for the Yazoo Pumps project in that act be used for the Interpretive Center has been satisfied.

Question. What about the ongoing litigation? It is inappropriate to propose cancellation of these funds before the final decision is made.

Ms. Darcy. The Army is not a party to this litigation. The court has allowed six environmental groups to intervene as defendants in the lawsuit. The court will decide the lawsuit on motions for summary judgment based on the administrative record.

Question. There is an inconsistency between the administration's budget appendix and the Corps' press release. The budget appendix assumes \$58 million is cancelled. The press book shows only \$52 million. Are either of these numbers correct?

Ms. Darcy. The \$58 million reflected in the administration's budget appendix is the amount of funds appropriated in fiscal year 2004 thru fiscal year 2009 for implementation of the Yazoo Backwater project. Due to a misunderstanding about the effect of language in the fiscal year 2009 Omnibus Appropriation Act, the press book reduced the amount by \$6,000,000.

LEVEE CERTIFICATION

Question. There is considerable controversy over the minimally acceptable rating for levee certification. Please explain the Corps inspection process and how the FEMA rating system has affected the Inspection of Completed Works program.

General Van Antwerp. The Corps conducts Routine Inspections on an annual basis of levees including those the Corps operates and maintains; those Federal authorized and operated/maintained by a local sponsor; and those locally constructed and locally maintained, but have applied and been accepted into the Corps' Public Law 84-99 program. The purpose of these Routine Inspections (also referred to as Annual Inspections or Continuing Eligibility Inspections) is to ensure the levee system is being properly operated and maintained in accordance with project cooperation agreements, if applicable, as well as to determine eligibility for Federal rehabilitation funds under Public Law 84-99.

The Corps uses an inspection checklist and provides a levee "system" rating. A levee system is defined as comprising one or more levee or floodwall segments which collectively provide flood risk reduction to a defined area. The levee system is inclusive of all features that are interconnected and necessary to ensure flood risk reduction of the associated separable floodplain. A levee system can have one or more local sponsors or maintainers, but is rated as one entity. The Corps provides a rating for each individual item/component on the checklist and then gives the levee an overall system rating.

The Corps' inspection ratings include the following:

Acceptable Item.—The inspected item is in satisfactory condition, with no deficiencies, and will function as intended during the next flood event.

Minimally Acceptable Item.—The inspected item has one or more minor deficiencies that need to be corrected. The minor deficiency or deficiencies will not seriously impair the functioning of the item as intended during the next flood event.

Unacceptable Item.—The inspected item has one or more serious deficiencies that need to be corrected. The serious deficiency or deficiencies will seriously impair the functioning of the item as intended during the next flood event.

Acceptable System.—All items or components are rated as Acceptable.

Minimally Acceptable System.—One or more items are rated as Minimally Acceptable or one or more items are rated as Unacceptable and an engineering determination concludes that the Unacceptable items would not prevent the system from performing as intended during the next flood event.

Unacceptable System.—One or more items are rated as Unacceptable and would prevent the system from performing as intended, or a serious deficiency noted in past inspections (which had previously resulted in a minimally acceptable system rating) has not been corrected within the established timeframe, not to exceed 2 years.

If a levee system is rated Unacceptable, that system is placed in Inactive status in Public Law 84-99 until corrections are made. An Inactive levee is no longer eligi-

ble for Federal rehabilitation funding if damaged from a flood event. The Corps will still participate in flood fighting activities.

Inspection results are provided to the local sponsor and to FEMA. If the Corps is on record as having previously certified the levee for FEMA purposes, then the Corps will evaluate how the inspection results may or may not impact the certification. If the Corps did not certify the levee, then FEMA will decide if the certification needs to be revisited based on the inspection results.

An "Acceptable" inspection rating by the Corps does not equate to a levee certification.

An "Unacceptable" inspection rating by the Corps does not automatically "de-certify" a levee.

A Periodic Inspection, conducted every 5 years, is the next level of inspection in the Corps Levee Safety Program and is conducted by a multidisciplinary team, led by a professional engineer. It includes a more detailed, comprehensive and consistent evaluation of the condition of the levee system. Activities under the Periodic Inspection include evaluating Routine Inspection items; verifying proper operation and maintenance; evaluating operational adequacy, structural stability and, safety of the system; and comparing current design and construction criteria with those in place when the levee was built. The final Periodic Inspection rating is based upon the Routine Inspection checklist.

FEMA does not have any type of rating system for levees or levee certification.

Question. We understand that levees that were designed for underseepage may now receive a minimally acceptable rating under the new rating system. How will this impact the levee being certified or accredited by FEMA?

General Van Antwerp. Inspection ratings by the Corps do not have a direct correlation to levee certification for FEMA purposes. Certification for FEMA purposes only evaluates a levee at the 1 percent flood event (or 100 year or base flood) and any type of condition, such as underseepage, will need to be taken into account for this evaluation. For example, deficiencies could exist that may not impact the levee's ability to perform at the 1 percent flood event.

Question. What happens if a levee loses certification and how will this impact taxes paid to levee districts for funding levee maintenance?

General Van Antwerp. When levees do not meet certification criteria, the areas behind them are mapped as if the levee is not there. Depending on the hydraulics, these areas could be shown on FEMA's Flood Insurance Rate Maps as high-risk Special Flood Hazard Areas (SFHAs). Flood insurance and other flood plain management requirements are mandatory in SFHAs.

The Corps cannot comment on how local taxes are implemented or impacted.

Question. Who is responsible for the cost to bring a levee that was previously certified in the past up to current standards for levee certification?

General Van Antwerp. For Inspection of Completed Works levees (Federal authorized/locally maintained), the local sponsor has the responsibility to ensure the levee will perform to the authorized design level, which may be below, at, or above the 1 percent (or 100 year or base) flood event for levee certification.

For levees the Corps operates and maintains, the Corps has the responsibility to ensure the levee will perform to the authorized design level. For all other levees, the entity seeking certification has responsibility to ensure the levee meets certification criteria.

Question. How does the Corps Levee Safety program support levee certification?

General Van Antwerp. The Corps will provide any levee information available to the local sponsor in support of certification efforts.

Question. When is levee certification a Corps of Engineers responsibility?

General Van Antwerp. It is the local levee sponsor's or community's responsibility to provide levee certification documentation to FEMA. Local communities must legally adopt and administer FEMA's National Flood Insurance Program (NFIP) requirements and have responsibility for operation and maintenance of their levees.

If the Corps operates and maintains the levee, the local community that must adopt the FEMA Flood Insurance Rate Map as part of their requirement for participation in the National Flood Insurance Program may request the Corps to perform the certification of that levee. If funding is available, the Corps may perform the certification. The purpose of levee certification is to determine how FEMA will map the floodplain behind the levee for flood insurance purposes as part of the NFIP. The 1 percent annual chance exceedance flood, also called the 100-year or base flood, is an insurance standard. It is not a safety standard nor does it eliminate risk.

Question. For levee projects that once had 100-year certification and now find that they are a couple of feet too short or have other structural issues, what is the likelihood that current Corps policy would allow the Corps to participate in finding solutions that would be economically justified?

General Van Antwerp. The Corps has various authorities and programs in the area of Flood Risk Management to collaborate in finding potential solutions, such as section 205—Flood Damage Reduction; section 216—Review of Completed Projects; Floodplain Management Services, Planning Assistance to States, inter-agency teams, or initiation of reconnaissance study.

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

Question. The U.S. Army Corps recommends a mere \$2.868 million for the Kentucky Lock and Dam project in the fiscal year 2011 budget, which will cause the project to slip even further behind. How many years delayed is the project, and what additional funds are now needed complete it? What is the Army Corps' long-term plan for Kentucky Lock?

General Van Antwerp. The Kentucky Lock Project received \$65.6 million in ARRA funds to date that has allowed for award of the Upstream Lock Monoliths construction contract. This contract encompasses all the critical activities of the project through at least the second quarter of fiscal year 2012. For this reason, the project did not require significant funding in fiscal year 2011 from the Inland Waterways Trust Fund (IWTF).

The \$2.868 million in the fiscal year 2011 budget is sufficient to complete the ongoing highway/railroad relocations superstructure construction contract. The project's completion date has been extended for 3 years due to the solvency issues of the IWTF. If enacted, the draft plan to restore solvency to the IWTF would provide sufficient funding to complete the project before 2020.

Question. The Army Corps has indicated that \$143.2 million could be used to further construction at Olmsted Locks and Dam; however the President's budget for fiscal year 2011 includes \$136 million for the project. How many years behind is the project from its scheduled completion date? At what point does the budget for Olmsted take a severe budget cut, like the Kentucky Lock Project, because of the inability of the Inland Waterways Trust Fund to fund ongoing projects?

General Van Antwerp. The Olmsted project completion date of 2012 has slipped, due to a number of factors including river conditions, design changes, materials and supply escalation, and differing site conditions. If optimal funding were to be available, the project could be completed in 2018. For fiscal year 2011 thru fiscal year 2015 the estimated efficient funding stream for the project is approximately \$140–\$145 annually.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

Question. In the wake of Judge Magnuson's July 2009 ruling concerning the Corps' illegal operations in the Apalachicola-Chattahoochee-Flint (ACF) River Basin, the Corps was forced to withdraw its scoping report for the ACF Water Manual Update and issue a revised scoping report. The Corps is also preparing a new water control manual for the Alabama-Coosa-Tallapoosa (ACT) River Basin, but Judge Bowdre has not yet ruled on the legality of the Corps operations in the ACT Basin.

In light of the experience with having to withdraw the ACF scoping report, has the Corps considered suspending the ACT manual update process until Judge Bowdre issues her ruling? If not, how can the Corps justify expending scarce resources to continue with the ACT manual update process when Judge Bowdre's ruling may require that the process start over?

General Van Antwerp. The Corps is updating the ACT water control manuals and associated NEPA documentation in accordance with direction provided by then Secretary of the Army Pete Geren in October 2007, and Army regulations. Updating the water control manuals and NEPA documentation is a complex and time-consuming deliberative process that includes extensive model development and data analysis, as well as coordination with Federal, State, regional and local agencies.

The Corps is confident that its operations in the ACT basin, and its process in updating the ACT manuals, are fully in compliance with applicable law. While the possibility exists that some adjustments to the update may be appropriate in response to a future ruling by Judge Bowdre in the ACT litigation in the U.S. District Court for the Northern District of Alabama, the majority of the work being performed now would still be needed and of value in implementing any water control manual update.

Although the Corps did decide to reopen public scoping of the ACF water control manual updates and EIS in November 2009, to account for Judge Magnuson's July 17, 2009 ruling in the consolidated cases styled *In re Tri-State Water Rights Litigation*, No. 3:07-md-01 (M.D. Fla.), the Corps is continuing the process of updating the

ACF water control manuals, in accordance with Secretary Geren's earlier direction, and released an updated scoping report in March 2010. The July 2009 ruling is currently on appeal.

Question. Explain how the Corps has factored the legal principles underlying Judge Magnuson's ruling concerning the ACF into Corps' ACT manual update process.

General Van Antwerp. Judge Magnuson's ruling addressed the authorities for operating Buford Dam/Lake Sidney Lanier and did not address the ACT manual update process.

Question. What steps has the Corps taken to address the fact that Cobb County-Marietta Water Authority withdraws more water than they are entitled to withdraw from Lake Allatoona under their contract with the Corps?

General Van Antwerp. The Corps notified CCMWA in a letter dated November 2, 2007 that its water supply withdrawals from Lake Allatoona were exceeding the amount of water available in storage allocated to CCMWA pursuant to its storage contract. There are on-going discussions with CCMWA regarding this issue.

Question. What is the status of the Hickory Log Creek Reservoir in Georgia and when is it anticipated that the pumping facility on the Etowah River will begin operations?

General Van Antwerp. Construction of the reservoir is essentially complete and the reservoir is approximately 80 percent full due to plentiful rains in the fall of 2009 and spring 2010. The Etowah River pump system is completed, but some land acquisition problems have arisen. Pursuant to DOA permit conditions CCMWA cannot pump from the Etowah River until it completes its compensatory mitigation. The estimated time until the pumping from the Etowah begins is now December 2010. However, to date, the Corps has not received a formal request from CCMWA to start pumping from the Etowah River.

Question. Has the Corps imposed any restrictions on the timing and duration of pumping from the Etowah River into the Hickory Log Creek Reservoir to minimize the impact upon inflows into Lake Allatoona?

General Van Antwerp. The State of Georgia has established conditions for when pumping from the Etowah River into Hickory Log Creek can occur. These conditions limit withdrawals from the Etowah River when the river is below 25 percent of Annual Daily Discharge (ADD).

QUESTIONS SUBMITTED BY SENATOR GEORGE V. VOINOVICH

Question. In the Fiscal Year 2010 Energy and Water Appropriations Act, Congress provided the Corps with emergency authority to implement measures for Asian Carp that were included in an interim or final Feasibility Study, which was authorized in WRDA 2007. Has this authority been helpful and does the Corps support the continuation of this authority?

Ms. Darcy. The Army has found the authority useful and supports its extension. The authority has provided the Corps with the opportunity to complete studies for the Secretary's approval that can be implemented quickly to address the high level of concern in the Great Lakes community over the migration of Asian Carp. One example of using the authority is the construction of fencing and barricades to prevent bypass of the Corps' electric barrier system in the case of flood events.

Question. For many years, I have raised concerns about the significant backlog of Corps work throughout the country as well as in the Great Lakes. This backlog problem is, in part, the result of the Corps practice of treating the Great Lakes as a coastal system and comparing individual ports using tons as a budget metric. In contrast, the Corps budgets our Nation's river systems on a ton-mile metric. The current budget process and metrics put the Great Lakes navigational system at a disadvantage compared to other domestic navigational systems. How do you plan to address the backlog of Corps' work across the country, and in particular the Great Lakes?

General Van Antwerp. The Corps budgets for key maintenance needs across the entire spectrum of Civil Works projects by prioritizing projects based on objective performance criteria. In navigation, the Corps focuses on funding harbors and waterways that have high volumes of commerce. However, funds are budgeted based on other factors as well, such as those ports and channels that serve as critical harbors of refuge, subsistence harbors, or facilitate U.S. Coast Guard search and rescue operations.

The Great Lakes projects are individually authorized and are considered coastal projects. While there is some interdependence of the Great Lakes ports and harbors on each other, the Great Lakes system is non-linear and many Great Lakes ports

and harbors can operate independent of other harbors. Conversely, the inland navigation facilities on the Mississippi River, Ohio River, and other inland waterways are often linear and interdependent on each other. For example, if users are traversing more than one lock and dam a single closure in the system will stop that traffic. For other than short-haul movements, or movements south of St. Louis, the commercial towing vessels must transit through many locks and dams to move from the point of origin to the destination point and all the inland navigation infrastructure along the way must be functional for the trip to occur.

Question. Despite the significant backlog of Corps work, the Harbor Maintenance Trust Fund has approximately a \$4 billion surplus that is growing each year. As you know, the money collected for the Harbor Maintenance Trust Fund is intended for a specific purpose—maintaining harbors and channels. Do you believe that additional money should be provided to the Corps from the Harbor Maintenance Trust Fund?

Ms. Darcy. The source of funds is just one of many factors considered in the budget development process. The overall Civil Works Operation and Maintenance (O&M) program is prioritized for all missions, including navigation, flood risk management, hydropower, etc. Funding is budgeted for the diverse Civil Works missions based on various metrics and priorities, and is limited by our overall budget authority.

QUESTIONS SUBMITTED TO HON. MICHAEL L. CONNOR

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

DROUGHT

Question. In prior years I have talked about the drought situation in the West particularly as it relates to North Dakota. As we know, that is not the situation this year. However, can you talk about the drought situation in the West and what we should expect based on current models?

Answer. Reclamation utilizes the National Oceanic and Atmospheric Administration's Climate Prediction Center to monitor drought conditions. Currently, the Center shows that the States of Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington, and Wyoming are experiencing some level of drought ranging in intensity from abnormally dry to extreme. While the El Niño winter has improved the drought conditions in the Pacific Northwest and Northern Rockies, it has expanded the drought in the Hawaiian Islands.

RURAL WATER

Question. There are a number of projects in the fiscal year 2010 Energy and Water Act that were not included or included at low levels in the President's fiscal year 2011 budget request. Can you provide us the capability amounts needed for those projects?

Answer. The first priority for funding rural water projects is the required O&M component, which is \$15.5 million (Reclamation-wide) for fiscal year 2011. For the construction component, Reclamation allocated funding based on objective criteria that gave priority to projects that serve on-reservation needs and are nearest to completion.

—Fiscal year 2011 is the second time Jicarilla-Apache Rural Water System (RWS) in New Mexico is in the budget request. The request is for \$0.5 million.

—Perkins County Rural Water System (RWS) in South Dakota is in the budget request. The request is for \$1 million.

—Rocky Boy's/North Central Montana RWS in Montana is in the budget request. The request is for \$1 million. At full capability, \$20 million would be used to install additional core system pipeline from the Tiber Dam to the Rocky Boy's Reservation.

—Fort Peck Reservation/Dry Prairie RWS in Montana is in the budget request. The request is for \$2 million. At full capability, \$15 million would be used to complete pipeline from the water treatment plant to Wolf Point and Poplar.

—Lewis and Clark RWS in South Dakota, Iowa, and Minnesota, is in the budget request. The request is for \$200 million. At full capability, \$35 million would complete construction on Phase II of the water treatment plant.

Question. How did you arrive at the funding decisions for rural water projects? Most of them seem to be funded at minimal levels.

Answer. The first priority for funding rural water projects is the required O&M component, which is \$15.5 million (Reclamation-wide) for fiscal year 2011. For the construction component, Reclamation allocated funding based on objective criteria

that gave priority to projects that serve on reservation needs and are nearest to completion.

Question. Are these projects not part of Reclamation's mission of bringing water to the West?

Answer. Yes. The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

The fiscal year 2011 President's budget balances several priorities, including funding for constructing authorized rural water projects. Given the need to work within the framework of today's budget realities, as well as the need to be attentive to priorities associated with existing water and power infrastructure throughout the West, Reclamation is unable to fund all of the ongoing rural water projects at their full capability levels.

Question. How are we ever going to make progress on completing these projects, at these low budget levels? Inflation is going to increase the project cost faster than the funding we are investing.

Answer. Reclamation is making progress in funding rural water projects throughout North and South Dakota and Montana. The Mid-Dakota Rural Water System was completed in fiscal year 2006; numerous features within the Garrison Diversion Unit in North Dakota have been completed; and the Mni Wiconi Rural Water System is scheduled to complete in 2013. Reclamation also allocated \$200 million in American Reinvestment and Recovery Act funds (ARRA) to further construction on these projects.

TITLE XVI RECYCLED WATER

Question. Title XVI programs are traditionally not well supported by the administration. I am pleased to see an increase for these projects in your budget. However, can you explain how the unallocated \$20 million will be allocated to projects?

Answer. Fiscal year 2011 is a transition year for the title XVI Water Reclamation and Reuse program (title XVI) because a number of the individual projects authorized under title XVI of Public Law 102-575, as amended, that have been included in the President's budget in the past are completed or are approaching Federal cost-share ceilings. Reclamation plans to post a funding opportunity announcement to invite project sponsors to submit requests for fiscal year 2011 funding. The procedure will be similar to the steps used to allocate over \$135 million in ARRA funding to title XVI projects in 2009, when proposals were reviewed and ranked to identify individual projects for funding. The funding opportunity will be open to authorized projects that have received Federal funding in the past and those that have not received Federal funding to date. Reclamation proposes to consider construction and pre-construction activities that can be commenced in fiscal year 2011 and completed within 24 months (i.e., not previously completed construction). Generally, criteria will focus on reducing existing diversions or addressing specific water supply issues in a cost-effective manner, addressing environmental and water quality concerns, and meeting other program goals.

Question. What modifications do you believe could be made to the title XVI program that would make it more acceptable to the administration?

Answer. This administration recognizes the key role water reuse plays in addressing western water issues, as indicated by this increased request. Title XVI is an important part of the WaterSMART program, which seeks to achieve a sustainable water strategy to meet the Nation's water needs. Title XVI projects can stretch water supplies using both time-tested methodologies and piloting new concepts. Reclamation looks forward to working with the subcommittee to make the title XVI program as effective as possible as part of this coordinated approach to addressing 21st century water challenges.

Question. How much of a backlog currently exists in the currently authorized title XVI program?

Answer. There are currently 53 authorized title XVI projects, including new projects authorized as a result of the Omnibus Public Land Management Act of 2009 (Public Law 111-11). Together, those authorized projects have a remaining Federal cost share balance in excess of \$600 million—after more than \$135 million allocated under ARRA has been applied.

AGING INFRASTRUCTURE

Question. The recently passed Lands bill gave Reclamation the authority to address rehabilitation of its aging infrastructure. Prior to the passage of this legislation this rehab work would have been a non-Federal responsibility. Recognizing that

this is a relatively new authority, has Reclamation established guidance for how this program is to be implemented?

Answer. Reclamation is currently developing guidance regarding the implementation of this program as directed by Omnibus Public Land Management Act (Public Law 111-11, subtitle G—Aging Infrastructure). Similar programs designed to assist Reclamation project beneficiaries in financing the reimbursable costs of extraordinary maintenance and rehabilitation work have been implemented by Reclamation in the past, and we are drawing on that experience in developing implementation guidance.

Question. Has Reclamation evaluated the condition of this infrastructure so that this work could be prioritized in a meaningful manner?

Answer. Reclamation periodically evaluates the condition of its facilities through existing facility review programs. The recommendations resulting from the reviews are the basis for prioritization of funding for identified needs.

Question. No funding was provided in your budget for this authority. Does this mean that this will be a low budget priority for the administration?

Answer. No. Reclamation believes that the Omnibus Public Land Management Act (Public Law 111-11, subtitle G—Aging Infrastructure) provides the authority to undertake such a program, and plans to consider the appropriateness of funding requests to support these efforts on a project by project basis given current budget constraint. As stated in above, Reclamation periodically evaluates the condition of its facilities through existing review programs and the recommendations resulting from the reviews are the basis for prioritization of funding for identified needs.

Question. The language in the Lands bill makes this work reimbursable over a period not to exceed 50 years. Will this be affordable to the non-Federal sponsors that most need this assistance?

Answer. Current law requires the non-Federal sponsors to pay for this work in advance. Allowing repayment over a term of up to 50 years will greatly ease the burden these entities have faced in the past in repaying the reimbursable costs of this work. In addition, Reclamation would pay for the share of the costs that would be allocated to non-reimbursable project purposes. However, given that some of the major repair work needed will be very costly, and that interest will be assessed on the reimbursable obligations, some project sponsors will still face challenges in repaying these costs.

Question. With much of Reclamation's infrastructure more than 50 years old, this problem is only going to increase. Has Reclamation developed contingencies to address failures of this infrastructure?

Answer. Assuming that the reference to failures is in the context of not being able to continue water deliveries, this would pose a public policy question regarding the costs and benefits associated with major Federal investment in recapitalizing this infrastructure. Reclamation believes that the Omnibus Public Land Management Act (Public Law 111-11, subtitle G—Aging Infrastructure) provides the authority to undertake such a program, and plans to consider the appropriateness of funding requests to support these efforts on a project by project basis given current budget constraints.

Question. Now that the CALFED Program has been extended, will the administration be providing a Cross Cut Budget document showing expenditures and accomplishments, either this year or in next year's request?

Answer. Reclamation and the other Federal CALFED agencies prepared a Federal Cross Cut Budget for fiscal year 2011 in accordance with the extension of Public Law 108-361 through fiscal year 2014. That is currently posted with the President's fiscal year 2011 budget on the OMB Web site under Analytical Perspectives. Under the newly established Delta Stewardship Council which replaced the California Bay-Delta Authority and assumed the CALFED Program, the Federal CALFED agencies anticipate continuing to work with the State to meet the goals identified in the CALFED Bay-Delta Programmatic Record of Decision and our Federal responsibilities as defined in Public Law 108-361. OMB will continue to work with the Federal CALFED agencies through fiscal year 2014 to ensure a Federal Cross Cut Budget is prepared and submitted unless replaced by some other process or defining legislation.

Question. On December 22, 2009, the administration released an "Interim Federal Action Plan for the California Bay-Delta". How will the administration report expenditures by agencies on items within this plan and accomplishments of the plan?

Answer. The administration will work closely with our State and other Federal partners in developing a coordinated report on obligations and accomplishments of the Federal Action Plan for the California Bay-Delta. As many of the activities under the Action Plan will also be associated with the activities of the new Delta Stewardship Council, we will work together to provide a concise and meaningful re-

port of the obligations and accomplishments under the Federal Action Plan that is fully coordinated with the annual reporting requirements of the extended CALFED Program. This reporting includes the Annual Cross Cut Budget submittal unless replaced by some other process or defining legislation.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

CALFED

Question. Now that the CalFed Bay-Delta Authorization is extended through 2014, will the administration be providing a Cross Cut Budget document showing expenditures and accomplishments, either this year or in the fiscal year 2012 budget request?

Answer. Reclamation and the other Federal CALFED agencies prepared a Federal Cross Cut Budget for fiscal year 2011 in accordance with the extension of Public Law 108-361 through fiscal year 2014. That is currently posted with the President's fiscal year 2011 budget on the OMB Web site under Analytical Perspectives. Under the newly established Delta Stewardship Council which replaced the California Bay-Delta Authority and assumed the CALFED Program, the Federal CALFED agencies anticipate continuing to work with the State to meet the goals identified in the CALFED Bay-Delta Programmatic Record of Decision and our Federal responsibilities as defined in Public Law 108-361. OMB will continue to work with the Federal CALFED agencies through fiscal year 2014 to ensure a Federal Cross Cut Budget is prepared and submitted unless replaced by some other process or defining legislation.

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RED BLUFF DIVERSION DAM

Question. The President's budget includes \$39.9 million to continue construction of the new fish screen and pumping plant at the Red Bluff Diversion Dam on the Sacramento River. The administration also allocated \$109.9 million in stimulus dollars toward this project. However, in order to keep this project on schedule to meet the requirements in the June 4, 2009 Biological Opinion for the Operating Criteria and Plan for the Central Valley Project, this project requires \$61.3 million in fiscal year 2011. Why does the budget not include this amount?

Answer. The fiscal year 2011 budget includes the minimum required to keep pace with the expected construction expenditures. Additional funding that would be available to the project in fiscal year 2011 would be obligated to the pumping plant and fish screen construction contract to reduce the amount remaining to be funded on the contract. Reclamation will continue to assess project funding needs as more refined cost estimates are available.

SAN JOAQUIN RIVER RESTORATION

Question. The San Joaquin River Settlement dedicates revenues from the Friant surcharge and capital repayment obligation to fund implementation of the agreement. The State of California also has committed funding to the Settlement. But the Parties to the Settlement, including the Interior Department, know that full implementation will require more than these dedicated revenues and the promised State funding. That's why the Settlement Act authorizes an additional \$300 million in appropriations. The Parties, including the Interior Department, always assumed—and assured me—that Settlement implementation would be funded each year with a mix of appropriations and non-appropriated dedicated revenues.

Yet for the second year in a row, the Department has requested no new appropriations for the Settlement in fiscal year 2011. The budget request includes only the dedicated revenues from the Friant surcharge and capital repayment for Settlement implementation plus a small amount from the CVP Restoration Fund. This

is not in keeping with my understanding of what was agreed to, nor does it conform to the understanding of the water users and conservation organizations who are Parties to the Settlement. They tell me that they are concerned that this budget reflects a lack of commitment by the Department to implement the agreement as agreed to.

As you know, a significant portion of the Settlement's non-appropriated dedicated revenues will come in a few years before the Settlement's largest expenditures for river restoration and water management projects, which will exceed those revenues. If you spend all or even most of the Settlement's non-appropriated funds in the short-term, how will the Department fund the major implementation costs that are coming within the next few years?

Answer. Funding for projects required by the Settlement can be funded by direct spending from dedicated revenues (subject to an \$88 million cap until 2019), appropriated discretionary funds, and State or local contributed funds.

Question. Do you expect to fund these projects entirely or mostly with appropriations?

Answer. With the funding cap of \$88 million on the direct spending from dedicated revenues until 2019, most of the implementation costs will need to come from both State contributions and Federal discretionary appropriations.

Question. Wouldn't funding the Settlement with a mix of appropriated and non-appropriated funds now tend to reduce and even out appropriation requirements in the future when costs will be the greatest?

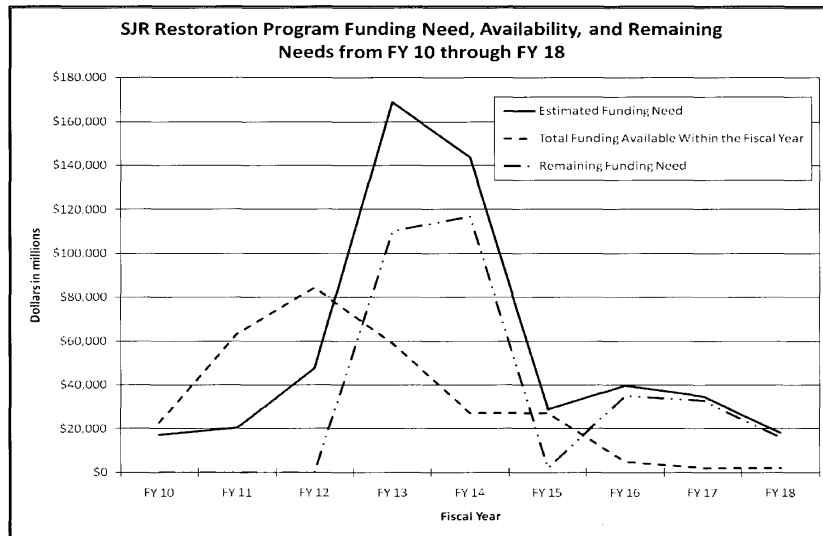
Answer. Yes, Federal appropriations, such as the \$5 million in fiscal year 2010, will reduce the magnitude of future appropriations required to implement the Settlement.

Question. If so, why isn't the Department following this course?

Answer. The Department's fiscal year 2011 budget request maintains a strong commitment to make progress on these issues, which are high priorities for the Department. There is \$2 million in the Central Valley Project Restoration Fund request in addition to the mandatory revenues available.

Question. Can the Department please provide me with a chart displaying an annualized estimate of funding needs for implementing all Settlement and Settlement Act projects, programs and activities together with an annualized estimate of revenues to the San Joaquin River Restoration Fund from all sources, including State funding?

Answer. The requested chart is provided below. The chart is not a reflection of or estimate of future funding requests in the President's budget. A list of assumptions made in developing the chart is also provided below.



Estimated funding need includes completion of the Settlement's high priority channel and structural improvements projects (also referred to as the Phase 1 projects), water management activities, fishery reintroduction planning and permit-

ting, and management and monitoring of flows. The estimated funding need does not include costs for the Settlement's Phase 2 projects, Settlement Paragraph 12 projects (other projects recommended by the Restoration Administrator), and fisheries reintroduction activities due to the current uncertainty of the scope and need for these actions. The estimated funding need for the Friant-Kern and Madera Canal Capacity Correction Project assumes funding this project over time as incremental improvements are made. Due to the requirement in section 10203 of Public Law 111-11 that funding for the Friant-Kern Canal Reverse Flow Project cannot impact or delay implementation of any other Settlement requirement, it is assumed that this project will not be initiated until 2017. Based on these assumptions, the estimated funding need for the program from fiscal year 2010 through fiscal year 2018 is approximately \$520 million.

Total funding available within the fiscal year includes funds from the following sources: Friant surcharge; Friant capital repayment; other Central Valley Project Improvement Act funding; appropriations in fiscal year 2010; and an estimate of State funding. Funds from the Friant surcharge and Friant capital repayment are assumed to be subject to the \$88 million Pay As You Go (PAYGO) cap. From fiscal year 2010 to fiscal year 2018, Reclamation estimates collecting approximately \$148.3 million above the \$88 million PAYGO cap that is not accounted for in the total funding available as it will require additional appropriations for use. Using these assumptions, the estimated total funding available from fiscal year 2010 through fiscal year 2018 is approximately \$292 million.

The remaining funding need is the difference between the total funding available and the estimated funding need. Using the assumptions we have described previously, the remaining annual funding need from fiscal year 2010 through fiscal year 2018 is approximately \$313 million.

Question. Please also indicate how much of the revenues collected to date into the SJR Restoration Fund have been expended as "mandatory spending" and how much is left within the current Pay As You Go (PAYGO) cap as available for mandatory spending from the SJR Fund.

Answer. As of April 1, 2010, approximately \$168,000 of the funds in the SJR Restoration Fund has been obligated as mandatory spending. Reclamation estimates that mandatory spending from the SJR Restoration Fund at the end of fiscal year 2010 will be \$5.6 million leaving \$82.6 million available after fiscal year 2010 under the \$88 million cap.

Question. In fiscal year 2008 and fiscal year 2009, this subcommittee provided a total of \$1.4 million for projects to restore the original water carrying capacity of the Friant-Kern and Madera Canals. Those projects were included in the Settlement Act to help meet one of the Settlement's goals of avoiding or minimizing water supply impacts to Friant water users. Interim flows this year will exceed 200,000 acre-feet and therefore the water supply impacts addressed by the Water Management Goal have already begun and can be expected to occur each year from now on. Bringing Water Management Goal projects online as soon as possible is important to the success of the Settlement. Yet despite 2 years of study funded by this subcommittee, the Department doesn't plan to start work on the canal repairs or other significant water management projects—in fiscal year 2011.

Answer. Reclamation has used the funding provided for these projects in fiscal year 2008 and fiscal year 2009 to make progress.

Question. Why?

Answer. Reclamation has been working to expedite the completion of the feasibility studies required by Public Law 111-11 (passed in March 2009), environmental permitting, and engineering design activities for these projects. For both the Friant-Kern and Madera Canal Capacity Correction Project and the Friant-Kern Canal Reverse Flow Project, preliminary design reports are scheduled for completion in June 2010, the National Environmental Policy Act compliance activities in July 2010, and feasibility reports in August 2010. Final design and preconstruction activities would be completed in fiscal year 2011. Due to the need to construct the canal capacity correction project in the winter, when the canals are dewatered, this project would not be ready for construction until fiscal year 2012. The pump-back project could go to construction in late fiscal year 2011; however, as it currently stands, the Friant-Kern Canal Reverse Flow Project is assumed to be delayed until 2017 as it will be challenging to make the findings required in section 10203 of Public Law 111-11 if this project is funding with monies from the SJR Restoration Fund.

Question. With regard to the Settlement's restoration activities, there have also been unexplained delays. For example, please explain why the Fisheries Management Plan is already significantly late when all the needed funding has been available?

Answer. Although Reclamation and other implementing State and Federal agencies have been working diligently to implement the Settlement, some restoration activities have been delayed. The primary causes for the delays are: (1) the Federal legislation to implement the Settlement was enacted more than 2 years later than the Settlement assumed; (2) access to private property has not been granted, which has significantly delayed necessary field studies; (3) funding from the State of California has required compliance with a variety of State laws that Reclamation would not have otherwise had to comply with, including the California Environmental Quality Act; and, (4) Reclamation has incorporated a variety of processes to increase coordination with the Settling Parties, Implementing Agencies, Third Parties, and the public in an effort to increase the potential for a successful program and facilitate permitting and approval actions. Reclamation remains committed to implementing the Settlement.

The San Joaquin River Restoration Program released a public review draft of the Fisheries Management Plan in June 2009. The Work Group received comments on the Plan and is currently preparing an updated version of the Plan in response to the comments received. The updated version of the Plan is anticipated to be ready and included as an attachment to the Program Environmental Impact Statement/Report, which is scheduled for release in June 2010. The Fisheries Management Plan is a living document that will be updated periodically as new information is gathered and uncertainties are addressed through monitoring and study activities.

Question. Why doesn't the Department plan to start significant restoration projects in fiscal year 2011?

Answer. Reclamation is currently in the formal planning and environmental compliance phases for the following three significant projects: (1) the Mendota Pool Bypass and Reach 2B Channel Improvements Project; (2) the Reach 4B, Eastside and Mariposa Bypass Low Flow Channel and Structural Improvements Project; (3) the Arroyo Canal Fish Screen and Sack Dam Fish Passage Project. These 3 projects address 9 of the 10 Phase 1 improvements in paragraph 11(a) of the Settlement. Each project includes substantial changes to the San Joaquin River system that will require a significant amount of upfront planning and design activities. Considering the time required to complete the planning, environmental reviews, permitting, preliminary and final designs, land acquisition, and awarding construction contracts, these projects are scheduled to be ready for construction in fiscal year 2013 or early fiscal year 2014.

Question. When will the canal projects and the pump-back project authorized by Part III of the Settlement Act be ready for construction?

Answer. Construction of both projects could begin in fiscal year 2012. The canal capacity correction project could be ready for construction late fiscal year 2011; however, to reduce interruptions in water deliveries from the Friant-Kern and Madera canals and resulting impacts to water users, this project needs to be constructed in the winter when the canal is typically dewatered. Therefore, this project would not be ready for construction until fiscal year 2012. The pump-back project could also initiate construction in late fiscal year 2011; however, as it currently stands, it will be challenging to make the findings required in section 10203 of Public Law 111-11 if this project is funded with monies from the SJR Restoration Fund.

Question. How can these projects be expedited without impacting other Settlement activities?

Answer. Given the requirements of Public Law 111-11, the National Environmental Policy Act, the Endangered Species Act, and other Federal laws that must be complied with, it is unlikely that either of the projects could initiate construction sooner than fiscal year 2012. To expedite the initiation of the pump-back project and the completion of the capacity correction project without impacting other Settlement activities, a sufficient amount of Federal appropriated funding for the other Settlement activities would be required.

Question. Could time and money be saved if non-Federal authorities assumed responsibility for carrying out the projects through a cooperative agreement with the Department?

Answer. The initial requirements called for in Public Law 111-11, the National Environmental Policy Act, the Endangered Species Act, and other Federal laws would still need to be completed and approved by Reclamation, so it is unlikely that the construction schedule could be expedited. It is possible that some time could be saved if non-Federal authorities assumed responsibility for carrying out the final design and construction of these projects through a cooperative agreement with Reclamation. In general, these non-Federal authorities are able to conduct more expedited contracting efforts which would result in a time savings for the projects. However, it is unclear if money can be saved as it is likely that both Reclamation and the non-Federal authority would contract the work to an outside private entity.

Question. What is the status of guidelines for implementation of the cost-shared groundwater program authorized in Part III?

Answer. Consistent with section 10202(c) of part III of subtitle A of title X of Public Law 111–11, Reclamation released the public review draft of the part III Guidelines for the Application of Criteria for Financial Assistance for Local Projects (Guidelines) on March 29, 2010. The Guidelines were available for a 60-day public review period. Reclamation anticipates releasing final Guidelines in late summer 2010.

QUESTIONS SUBMITTED BY SENATOR ROBERT F. BENNETT

QUAGGA MUSSELS

Question. In fiscal year 2010 we provided funding for Reclamation to establish a Quagga Mussel R&D program to determine ways to deal with this invasive species. What is the status of this effort?

Answer. Reclamation has a very active Research and Development program underway, working with all of the western States and several other Federal and local agencies, developing and testing several methods for early detection of mussels, deterrence of mussel attachment, removal of mussels, or killing of mussels in situ. Methods being tested include high-capacity filters, ultraviolet light, pulsed-pressure systems, bacterial by-product derived from *Pseudomonas fluorescens*, foul-resistant and foul-release coatings, high and low pH modulation, and predatory fish. Emphasis is placed on methods that are environmentally friendly and do not require costly permitting for use in open water systems. Reclamation is also developing a research plan in conjunction with the United States Geological Survey (USGS) and the Pacific States Marine Fisheries Commission to test multiple untested new and existing methods for cleaning mussels from recreational boats.

Beginning in 2009 and continuing in 2010, Reclamation applied ARRA funds to test approximately 200 reservoirs and other water bodies in the West for the earliest possible detection of mussel larvae. This program is coordinated closely with all of the western States. Results are reported to each of the States and to the associated Reclamation operating offices. This careful monitoring will provide the greatest lead time (up to 5 years) to plan, budget, and implement facility protection strategies if larvae are detected in a reservoir, before the infestation creates substantial problems for operation of our facilities.

Reclamation recently briefed the Metropolitan Water District of Southern California, the Water Research Foundation, and the USGS on current research and discussed new avenues for collaboration. Reclamation is also hosting the 2010 International Conference on Aquatic Invasive Species in August, with a primary focus on invasive quagga and zebra mussels in the western United States.

Question. How much funding is included in Reclamation's budget to address the control of quagga mussels?

Answer. Reclamation does not have a line item for addressing quagga mussels. Approximately \$1.5 million is allocated within the Science and Technology line item to support development and testing at several of our lower Colorado River dams that are already impacted by quagga mussels. Approximately \$200,000 is included annually in each region's O&M budget to support prevention, development of response plans, facility vulnerability assessments, public outreach and education, and coordination efforts with other agencies, stakeholders, and interested organizations.

Question. What are the estimated costs to Reclamation to deal with quagga mussels at Reclamation projects?

Answer. Apart from basic monitoring and outreach, the only Region expending significant funds on retrofitting facilities for control, management, and protection against mussels is the Lower Colorado Region, which has been dealing with invasive quagga mussels in Lakes Mead, Mohave, and Havasu since 2008. The table below provides a general summary of Reclamation-wide costs associated with planning, prevention, and mitigation for invasive quagga mussels to date. Reclamation is monitoring more than 100 of its high-risk reservoirs for early presence of quagga mussel larvae. However, it is not possible at this time to forecast how quickly the infestation will spread and, therefore, what the longer term costs will be for prevention and mitigation.

	Fiscal Year 2008 Actual Appropriated	Fiscal Year 2008 Direct Fund ¹	Fiscal Year 2009 Enacted Approp.	Fiscal Year 2009 Direct Fund	ARRA Funding	Fiscal Year 2010 Enacted Approp.	Fiscal Year 2010 Direct Fund	Total
Reclamation Costs and Budget for Quagga/Zebra Mussels								
Prevention	\$72,750	\$1,828	\$160,947	\$25,804	.....	\$458,000	\$50,000	\$769,329
Early Detection/Rapid Response	114,550	10,000	104,056	59,458	\$4,500,000	478,000	100,000	5,366,064
Control and Management	109,506	220,000	279,629	267,000	.....	510,000	305,000	1,691,135
Research	927,390	23,090	1,093,000	.....	.....	1,490,000	.....	3,533,480
Education and Outreach	262,001	1,158	403,208	22,142	.....	521,940	20,000	1,230,449
Subtotal	1,486,197	256,076	2,040,840	374,404	4,500,000	3,457,940	475,000	.....
Total	1,742,273		2,415,244		4,500,000	3,932,940		12,590,457

¹ Direct Funding includes all funds and services provided by Reclamation customers, including power revenues, in-kind services, cost share contributions and direct or contributed funds.

QUAGGA AND ZEBRA MUSSELS COSTS/BUDGETS

Category Key

Prevention.—This includes specific prevention measures such as the preparation of facility assessment plans, boat/equipment inspection/cleaning, and related training. Early Detection and Rapid Response: This includes monitoring of invasive species that are beginning to appear, and quick coordinated responses, including the development of plans to destroy or contain invasive species before they become too widespread.

Control and Management.—This includes actions taken to control, limit, or reduce the impact of zebra and quagga mussels on water system function. Control methods are generally categorized under four topics: biological control, chemical control, cultural control, and mechanical control

Research.—This includes efforts to identify, develop, demonstrate, and implement (on a pilot or small-scale basis) conventional and promising new strategies and technologies to protect facilities from zebra and quagga mussels that which have potentially broad application for water and power infrastructure.

Education and Outreach.—This includes education and outreach programs to make the public aware that their actions can result in the introduction and spread of quagga and zebra mussels. Some examples include posting or distribution of signs, posters, and handouts in public recreation sites, or sponsoring public workshops and training. This also includes participation and leadership in regional, national, and international professional efforts to review and share knowledge on efforts to prevent, detect, and conduct research on quagga and zebra mussels.

DESALINATION RESEARCH AND DEVELOPMENT

Question. What research and development plans does Reclamation have for the Brackish Groundwater National Desalination Research Facility in 2011?

Answer. In general, the work at this facility focuses on resolving environmental issues and reducing the cost of treating inland brackish groundwater. Emphasis is being placed on the testing of technologies for the pretreatment and treatment of brackish groundwater, and disposal of concentrate, with special emphasis on the use of renewable energy to drive such processes.

Research funds for the Brackish Groundwater National Desalination Research Facility (Facility) were transferred to New Mexico State University (NMSU) in fiscal year 2008 (\$3.365 million) and fiscal year 2009 (\$2.0 million). In fiscal year 2010, NMSU developed the program for research at or associated with the Facility with requests for competitive, merit reviewed proposals to be advertised in late fiscal year 2010 and fiscal year 2011. Reclamation is advertising a fiscal year 2010 funding opportunity announcement for \$1.0 million for a project in which at least one pilot plant will be carried out at the Facility and much of the research will lead to pilot projects that will be constructed and/or conducted at the Facility. For fiscal year 2011, Reclamation has requested \$1.6 million for O&M of the Facility, and \$2.066 million for research on advanced water treatment technologies, some of which will occur at the facility.

To date, research at the Facility has included work with NMSU, General Electric, Sandia National Laboratories, University of Texas at El Paso, Colorado School of Mines, Veolia Water, and Ohio University. Funding for this research comes from a number of sources including Department of Defense (Army and Navy), Department of Energy, State of New Mexico, State of Texas, as well as the Bureau of Reclamation. Several other projects are in the discussion stages including renewable energy driven processes, innovative energy recovery systems, new desalination processes, and a partnership with the city of Alamogordo New Mexico, a major private sector company, and a local university.

The Facility provides all the required resources for researchers working with desalination systems, concentrate management issues, renewable energy/desalination hybrids, and small and rural systems.

Question. Will the fiscal year 2011 funding budgeted allow for meaningful research at the facility?

Answer. Historically, Reclamation has ensured that research appropriations produce the highest quality products by defining the research objectives to address the highest-priority questions, and funding research through an open, competitive, peer reviewed process. These have been the administration's standards for research administration.

This approach will be used to define and guide research priorities at the Facility for those appropriations that Reclamation controls. The amounts requested in the President's fiscal year 2011 budget are sufficient to undertake the important work of advancing the treatment of brackish groundwaters.

Reclamation's ability to ensure meaningful research is limited to the extent that the funds appropriated for this research are earmarked without an open, competitive process.

Question. What other advanced water treatment options are showing promise for impaired groundwater?

Answer. Many technologies exist to treat a range of brackish waters. Reclamation focuses its research on technologies that may represent a significant breakthrough in either cost reduction or effectiveness of treatment. Currently, two of the most promising technologies that Reclamation is developing are: (1) a truly chlorine-resistant thin-film composite reverse osmosis membrane that will allow pre-treatment with chlorine to prevent biofouling without the degradation of the membrane, and (2) a more efficient cellulose-triacetate membrane that is naturally chlorine resistant. Both technologies will likely be tested at the Facility.

In addition, Reclamation is exploring potential options with other Government agencies, universities, non-profits, and the private sector. Not only are there new membrane formulations being created and tested by Reclamation and others, innovative work is continuing on the development of cost effective concentrate disposal, reduced energy consumption/lower CO₂ footprint/renewables, reduced fouling/pre-treatment, and alternative desalination technologies such as forward osmosis, membrane distillation, electrodialysis, capacitive deionization, thermal technologies and others.

Question. Do you see any potential for Reclamation becoming involved in the construction of desalination plants?

Answer. Reclamation was involved in the design and construction of the world's first large-scale reverse osmosis desalination plant in the 1970s and 1980s, the Yuma Desalting Plant. The YDP applied innovations developed by the old Office of Water Research and Technology on a very large scale. Since then, a number of brackish desalination projects have received construction funding through the Water Reuse Program.

Given the very large global industry around design and construction of desalination plants, there does not appear to be a need for Reclamation to enter into this business. However, Reclamation may be able to play a role in providing designs or reviewing designs for systems that are not a focus of the mainstream design and construction industry. Potential examples include small scale plants that are part of a Reclamation Rural Water project, applications on tribal lands, and applications that are otherwise integrated with Reclamation projects.

Question. Why?

Answer. Historically, Reclamation has focused upon research and development of advanced water treatment technologies up through pilot scale testing and demonstration, and moving those technological advances to the private sector for commercialization.

MISCELLANEOUS

Question. You have only budgeted about \$380,000 for drought assistance in fiscal year 2011. Is that funding sufficient to address the drought issues that are anticipated next year?

Answer. Reclamation has many important programs that need to be funded, and has made its best effort to develop a budget that adequately balances the competing needs for these different programs.

Because Reclamation prepares its budget 2 years in advance, we are unable to forecast emergency needs for drought. However, we make every effort to address the greatest need with the funds available.

In addition to the Drought Program, Reclamation also addresses competing demands for finite water supplies through WaterSMART, which includes funding for the title XVI, WaterSMART Grants, and Basin Studies.

Question. What is the drought outlook for the West in 2011?

Answer. Precipitation outlooks are generally unreliable beyond 3 months. Because Reclamation does not forecast weather or drought conditions, we rely on the information provided by other agencies that focus on weather, including the National Oceanic and Atmospheric Administration's Climate Prediction Center (<http://www.cpc.noaa.gov>), and the Drought Monitor, managed by the National Drought Mitigation Center (<http://www.drought.unl.edu/dm/monitor.html>).

Question. In particular which areas are anticipated to experience the biggest impacts?

Answer. According to the National Oceanic and Atmospheric Administration's Climate Prediction Center, drought conditions through June 2010 are forecast to persist in the Pacific Northwest and northern Rockies due to low snowpack and above-

average temperatures. In addition, the El Niño winter has expanded drought conditions in the Hawaiian Islands.

RURAL WATER AUTHORITY

Question. Can you update us on the status of the Rural Water Program?

Answer. We began accepting applications for funding under the new Rural Water Program in the summer of 2010. Currently, Reclamation is in the process of finalizing internal directives (Directives and Standards) describing key aspects of program implementation, including the required content of appraisal investigations and feasibility studies as well as the process for approving those studies. Reclamation published the Directives and Standards for the Rural Water Program in July 2010, and plans to post a Funding Opportunity Announcement on grants.gov for the program in May 2010. Reclamation received 21 proposals totaling \$5.4 million in Federal funding request.

Question. We have appropriated more than \$3 million for the Rural Water program over the last 2 years, and yet no studies have been started. Will any studies for rural water systems be initiated this year with the \$2.7 million requested?

Answer. Rural water studies will be initiated this year. Reclamation expects to post a funding opportunity announcement on grants.gov in May 2010 and anticipates selecting studies for funding in late August. After the funding opportunity announcement is posted, project sponsors will also have the opportunity to submit an appraisal investigation or a feasibility study previously conducted without any financial or technical support from Reclamation. Reclamation will review these independent study submittals for eligibility and technical adequacy and will prepare the appraisal or feasibility reports for independent studies determined to be eligible for inclusion in the program, technically adequate, and conforming to Reclamation standards. Reclamation expects to receive at least six independent study submissions this year.

CUPCA

Question. The budget for CUPCA is up \$1 million when compared to fiscal year 2010. Is this funding level sufficient to continue to make progress on this critical project?

Answer. The fiscal year 2011 budget request together with funding from the American Recovery and Reinvestment Act of 2009 and the fiscal year 2010 appropriation will allow the CUPCA program to continue making sufficient progress.

Question. What is your total funding capability for CUPCA in fiscal year 2011?

Answer. Although there is always additional funding capability, the fiscal year 2011 budget request represents a prudent and manageable level of capability.

Question. What would this additional capability accomplish?

Answer. Additional capability would accelerate current projects.

SUBCOMMITTEE RECESS

Senator TESTER. I want to thank you all for coming today. I appreciate your service, and I appreciate the work you have to do. It's a tough job. Thank you.

The subcommittee is recessed.

[Whereupon, at 11 a.m., Thursday, March 11, the subcommittee was recessed, to reconvene subject to the call of the Chair.]