STATEMENT OF BRUCE I. KNIGHT, CHIEF NATURAL RESOURCES CONSERVATION SERVICE U.S. DEPARTMENT OF AGRICULTURE BEFORE THE

U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE SUBCOMMITTEE ON WATER RESOURCES AND THE ENVIRONMENT

March 1, 2006

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to appear before the Subcommittee to discuss water resource program activities of the Natural Resources Conservation Service (NRCS). Through the water resource programs that NRCS administers, our employees work in partnership with local leaders to improve the overall function and health of our Nation's watersheds. Our goal is to improve local communities' access to clean, safe, and reliable water resources, while providing protection from floods and mitigating the effects of natural disasters.

In my remarks today, I will describe our ongoing work in this area, and discuss our budget and priorities for fiscal year (FY) 2007. I will specifically address four programs: 1) Watershed Surveys and Planning, 2) Watershed and Flood Prevention Operations, 3) Emergency Watershed Protection, and 4) Watershed Rehabilitation.

Nearly 2 years ago, August 2004, NRCS celebrated the 50th anniversary of the Watershed Protection and Flood Prevention Act of 1954 (Public Law 83-566), which established the Agency's water resource programs. This statute, along with the Flood Control Act of 1944 (Public Law 78-534), has provided NRCS the authority to complete work on 2,000 watershed projects nationwide, through helping local communities construct 11,000 flood control dams. The dams and other water resource program measures implemented through these watershed projects provide more than \$1.5 billion in local benefits every year by controlling floods, conserving water, and improving community water supply.

The NRCS water resource programs provide communities and landowners site-specific technical expertise for watershed planning and financial assistance for watershed project implementation. The programs provide a process to solve local natural resource problems, including flood damage mitigation, water quality improvement, ensuring an adequate rural water supply, water conservation, soil erosion control, and fish and wildlife habitat improvement.

With the water resource programs, thousands of communities across the country improve natural resources, restore fish and wildlife habitat, mitigate flood damages, and accelerate economic development. The Watershed Programs are founded upon the principle of locally driven, watershed-scale conservation, which can best be solved by

cooperative action above the farm and ranch level. Local governments and other sponsors initiate projects with the help of NRCS and conservation districts and are empowered as decision-makers to build State and local partnerships, and acquire funding contributions.

NRCS assists with the planning and implementation of watershed projects, and serves as a technical advisor, bringing science, technology, and knowledge about the natural resource base and ecosystem of the watershed, and has served as a source of funding, to develop these projects. The local sponsoring organization submits an application for Federal assistance, assures public participation, makes project planning and implementation decisions, obtains land rights and permits, provides local cost-share funds, operates and maintains project measures, and carries out all phases of the project installation according to policy.

Fiscal Year 2007 Budget Proposal

The President's FY 2007 budget recommends eliminating funding for most of NRCS Watershed Program activities on the basis that these funds could be better used to help fund higher priority and more cost-effective programs. Highlights of the Watershed Survey and Planning, Watershed and Flood Prevention Operations, Emergency Watershed Protection, and Watershed Rehabilitation programs are as follows:

Watershed and Flood Prevention Operations

The Flood Control Act of 1944 (P.L. 78-634) authorizes the Secretary of Agriculture to install watershed improvement measures to reduce flood, sedimentation, and erosion damages; further the conservation, development, utilization, and disposal of water; and foster conservation and proper utilization of land. Flood prevention work is authorized in the 11 watersheds designated in the Flood Control Act.

The Watershed Protection and Flood Prevention Act of 1954 (P.L. 83-566) provides for cooperation between the Federal Government and the States and their political subdivisions in a program to prevent erosion, floodwater, and sediment damages; to further the conservation, development, utilization, and disposal of water; and to further the conservation and proper utilization of land in authorized watersheds.

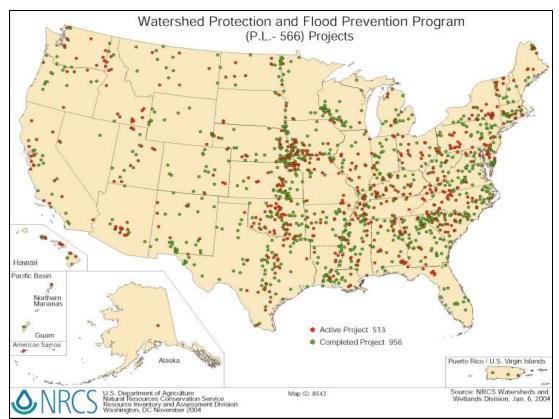
The P.L. 78-534 and P.L. 83-566 programs have similar authorities. The planning criteria, economic justifications, local sponsorship requirements, cost-sharing criteria, structural limitations, and other policies and procedures used in P.L. 78-534 projects generally parallel those used in P.L. 83-566 projects.

Watershed Surveys and Planning

The Watershed Surveys and Planning account helps communities and local sponsors assess natural resource issues and develop coordinated watershed plans that will conserve and utilize their natural resources, solve local natural resource and related economic problems, avoid and mitigate hazards related to flooding, and provide for advanced planning for local resource development. This includes Floodplain Management Studies, Cooperative River Basin Studies, Flood Insurance Studies, Watershed Inventory and Analysis, and other types of studies, as well as P.L. 83-566 Watershed Plans. Over 65 percent of these plans are used to guide local planning efforts; the other 35 percent guide experts and sponsors in the implementation of watershed projects to solve natural resource problems.

The President's budget for FY 2007 proposes to eliminate funds for this program and redirect them to other higher priority programs. With the elimination of Watershed and Flood Prevention Operations, continuation of the planning component is no longer necessary. It is hoped that local sponsoring organizations, as well as State and local governments, will assume a more active leadership role in identifying water resource problems and their solutions. This is a decrease of more than \$6 million from the FY 2006 Appropriations.

A map depicting the completed and active watershed projects across the United States is provided below:



The FY 2007 President's Budget for Flood Prevention Operations, P.L. 78-534, and Watershed Operations, P.L. 83-566, proposes to eliminate funds for these two

programs and redirect them to other higher priority programs. It is hoped that those high priority P.L. 78-534 and P.L. 83-566 projects not yet completed will continue to receive strong local leadership and support for their project sponsors.

In addition, for the last several years, NRCS has been managing a watershed program over which it has had little control. We have been administering a program that is nearly 100 percent earmarked and that poses some serious management challenges. This has created problems in setting and addressing national priorities that will garner the greatest environmental benefit; providing the high-quality technically trained interdisciplinary staff in the proper locations; and in strategically improving the health of critical watersheds. In addition, there is some duplication between the water resource programs and Farm Bill conservation programs. To be specific, as an Agency we can provide land treatment assistance with the Watershed Protection and Flood Prevention Operations Program, the Conservation Technical Assistance Program, and through the Environmental Quality Incentives Program.

This decrease in funding in the Watershed and Flood Prevention Operations account will enable the Administration to direct much needed additional resources to other high priority programs.

The FY 2007 budget proposal for P.L. 78-534 is a decrease of \$9.9 million and for P.L. 83-566 it is a decrease of \$64.4 million from the FY 2006 Appropriations.

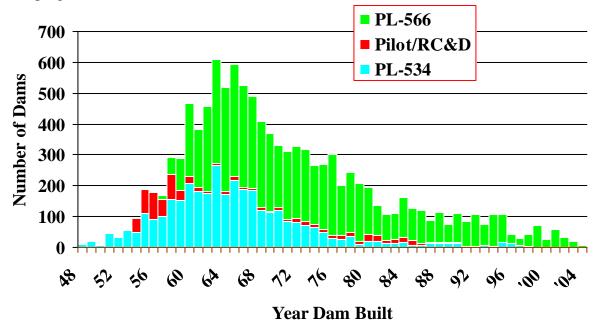
Emergency Watershed Protection

The purpose of the Emergency Watershed Protection (EWP) program is to undertake emergency measures, including the purchase of floodplain easements, for runoff retardation and soil erosion prevention to safeguard lives and property from natural disasters. The typical process for delivery of this program starts with the local sponsor requesting assistance for a disaster recovery effort. NRCS then conducts a damage assessment to identify if the project is eligible and develop an estimated cost. Typical work under this program ranges from debris removal from clogged streams caused by flooding; installing conservation measures, like reseeding native grasses, to prevent soil erosion on hillsides after a fire; or replanting and reshaping streambanks due to erosion caused by flooding. At the request from communities across the Gulf region recovering from Hurricanes Katrina and Rita, NRCS has completed nearly \$23 million in recovery work under the EWP program. The FY 2006 Supplemental Appropriation provided an additional \$300 million for EWP Program recovery efforts from Hurricanes Katrina, Rita, Wilma and Dennis.

The FY 2007 President's Budget does not propose funding this program. Historically, Congress has elected to fund this program through emergency supplemental appropriations as disasters occur.

Watershed Rehabilitation

Since 1948, over 11,000 flood control dams have been built in the 2,000 watersheds projects across America. Many of these dams were designed for a 50-year life span and now are at, or near, that age. The following graph illustrates the years and the programs in which these 11,000 structures were built:



Since enactment of the Watershed Rehabilitation Amendments of 2000 and subsequent amendments in the 2002 Farm Bill, NRCS has 107 dams that have rehabilitation plans authorized and the projects are completed or implementation of the plans is underway. NRCS is actively helping local communities rehabilitate aging dams, with the average dam rehabilitation cost roughly at \$1.2 million.

Two examples of the many successful rehabilitation projects include:

- The White Tanks Watershed Dam No. 3 in Maricopa County, Arizona. This watershed structure was rehabilitated because of lingering problems in the earthen fill of the dam, since its construction in 1954. Over 800 homes and businesses and 6,000 people would be affected if the dam failed, including 2,400 female inmates and 400 employees at the Perryville State Prison.
- Yellow River Watershed Dam No. 14 in Gwinnett County, Georgia, was rehabilitated by constructing a roller compacted concrete spillway over the dam. The dam was built in 1968 with the population of the county increasing from 73,000 to approximately 625,000, along with additional urban development both upstream and downstream from the dam. There are 45 homes and two state highways in the dam breach inundation area.

The President's budget funding request for FY 2007 includes \$15.3 million for Watershed Rehabilitation activities involving aging dams. This will address and focus on critical dams with a high risk for loss of life and property and the greatest potential for damage.

This is a decrease of \$15.9 million from the FY 2006 Appropriations and reflects the Administration's position that the maintenance, repair, and operation of these dams are primarily local responsibilities because program benefits are highly localized.

Summary

In summary, the U.S. Department of Agriculture has accomplished much through the water resource programs over the past 50 years. Economic, social, and environmental benefits from these programs have been significant for both agricultural and urban communities, which will continue to enjoy reductions in erosion, improved water quality, flood mitigation, greater productivity of cropland and rangeland, and many recreational opportunities. However, in the context of the budget request for FY 2007, we will need to prioritize limited resources to ensure that we are well positioned to address more pressing challenges ahead, and to meet our budget deficit reduction targets.

I thank the Subcommittee and would be happy to respond to any questions.