

**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 10, 2005

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). In my remarks today, I will describe our ongoing work in this area, and discuss our budget and priorities for fiscal year (FY) 2006. I will specifically address three accounts; 1) Watershed Surveys and Planning, 2) Watershed and Flood Prevention Operations, and 3) Watershed Rehabilitation.

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 resources 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 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, but primarily 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, and operates and maintains project measures.

FY 2006 Budget Proposal

The President's 2006 budget recommends funding based on the relative priority of the three accounts in the NRCS water resource programs budget. Highlights of the Watershed Survey and Planning, Watershed and Flood Prevention Operations, and Watershed Rehabilitation are as follows:

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 PL-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 2006 proposes to focus on funding on-going Watershed Survey and Planning efforts. The budget request is for \$5,141,000 to help approximately 40 communities complete their watershed planning efforts.

Watershed and Flood Prevention Operations

The Watershed and Flood Prevention Operations component in the FY 2006 budget proposes to redirect this program's resources to other higher priority programs. The Administration proposes to cancel the program because it funds the construction of local flood control and water improvement projects that are not Federal priorities. The Administration compared the benefits and costs of three Federal flood damage reduction programs operated by NRCS, the Corps of Engineers, and the Federal Emergency

Management Agency respectively. The analysis found that the Watershed and Flood Prevention Operations program provided the least net flood damage reduction benefits.

This decrease in funding in Watershed and Flood Prevention Operations account will enable the Administration to divert limited resources to other priorities such as accelerating technical assistance to help agricultural producers meet regulatory challenges, particularly in the area of helping them to manage livestock and poultry waste.

Mr. Chairman, I would note that the funding for this program is over 105 percent allocated by the earmarking process which has removed the Department's ability to effectively manage the program. The intense level of Congressional directives does not permit the agency to prioritize projects based upon merit and local need. The fact that the program is entirely earmarked also makes it impossible for the Department to attempt to coordinate program efforts and implement work that will meet overall strategic natural resource goals.

Watershed Rehabilitation

The President's budget funding request for FY 2006 includes funding for Watershed Rehabilitation activities involving aging dams. These projects involve dams with a high risk for loss of life and property. To date, 134 watershed rehabilitation projects have been funded and 37 have been completed. Sixty-six dams have rehabilitation plans authorized and implementation of the plans is underway. The

Administration requests \$15,125,000 to address critical dams with the greatest potential for damage.

Summary

In summary, the U.S. Department of Agriculture has accomplished much in the water resource programs over the past fifty 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 new budget request for FY 2006, we will need to prioritize limited resources to ensure that we are well positioned to meet often, more pressing challenges ahead.

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