

DEPARTMENT OF THE ARMY CORPS OF ENGINEERS

COMPLETE STATEMENT

OF

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CHIEF OF ENGINEERS
U. S. ARMY CORPS OF ENGINEERS**

BEFORE

**THE SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES**

ON

**THE ARMY CIVIL WORKS PROGRAM
FISCAL YEAR 2010**

May 12, 2009

Mr. Chairman and distinguished members of the Subcommittee:

I am honored to be testifying before your subcommittee today, along with the Acting Assistant Secretary of the Army (Civil Works), Mr. Terrence Salt, on the President's Fiscal Year 2010 (FY10) Budget for the Army Corps of Engineers Civil Works Program.

My statement covers the following 5 topics:

- Summary of FY10 Budget
- Investigations Program
- Construction Program
- Operation and Maintenance Program
- Value of the Civil Works Program to the Nation

SUMMARY OF FY10 PROGRAM BUDGET

Introduction

The Fiscal Year 2010 Civil Works Budget is a performance-based budget, which makes the best use of available funds through a focus on the projects and activities that provide the highest economic and environmental returns on the Nation's investment or address significant risk to human safety. The Civil Works Budget consists of discretionary funding of \$5.125 billion and mandatory funding of \$464 million, for a total direct program of \$5.589 billion. In addition, Reimbursable Program funding – work unrelated to the Budget, which the Corps does for others with their funds – will be approximately \$2.5 billion.

Direct Program

The Budget reflects the Administration's commitment to the sound management of the Nation's water resources. The Budget incorporates objective performance-based metrics for the construction, operation and maintenance, and investigations programs. It provides a high level of funding for maintenance, with a focus on those facilities that are of central importance to the Nation. It provides funding for the regulatory program to protect the Nation's waters and wetlands, and supports restoration of nationally significant aquatic ecosystems that are cost effective. Additionally, it emphasizes the basic need to fund emergency preparedness and training activities for the Corps as part of the regular budget process.

Reimbursement Program

Through the Interagency and Intergovernmental Services Program we help non-DoD Federal agencies, state, local, and tribal governments, and other countries with technical assistance in the areas of planning, engineering and construction. Rather than develop an internal workforce to oversee large design and construction projects, these entities utilize the skills and talents that we bring to our own Civil Works and Military Program missions. Our support is primarily through the development of contracts with private sector firms to perform technical assistance and management of engineering, environmental, and construction projects. This portion of our work is unrelated to the Budget for the Civil Works Program. It is totally reimbursed by the Agencies and entities that seek our assistance.

Currently, we provide support to about 70 Federal agencies and several state and local governments. Total reimbursement for such work in FY10 is projected to be approximately \$2.5 billion. The exact amount will depend on the extent of FY10 assignments.

INVESTIGATIONS PROGRAM

The Budget for the investigations program would enable the Corps to evaluate and design the future projects that are most likely to be high-performing, within the Corps three main missions: Commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. The budget includes \$100 million for these and related activities in the Investigations account and \$2.284 million in the Mississippi River and Tributaries account.

CONSTRUCTION PROGRAM

The goal of the Construction Program is to deliver new, or to rehabilitate existing, flood control, navigation, hydropower or environmental restoration infrastructure in a cost effective manner, to serve the Nation's water resource needs. The Fiscal Year 2010 Budget provides includes \$1.718 billion in discretionary funding in the Construction account and \$87.143 million in the Mississippi River and Tributaries account to further this objective.

The Budget uses objective performance measures to establish priorities among projects and, through continued proposed changes in the Corps contracting practices, will also increase control over future costs. The performance measures used include the benefit-to-cost ratios for projects whose primary with economic output is measured by the economic returns. 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 categories, resources are allocated based on performance. This approach significantly improves overall program performance.

OPERATION AND MAINTENANCE PROGRAM

As soon as the Corps constructs a project, the infrastructure begins to age. Generally, with periodic maintenance, we can operate our facilities for many years. The Budget supports our continued stewardship of this infrastructure by focusing funding on key infrastructure that is of central importance to the Nation.

The Operation and Maintenance (O&M) program for the FY10 Budget includes \$2.504 billion, and an additional \$158.573 million under the Mississippi River and Tributaries program.

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

We are privileged to be a part of an organization that directly supports the President's priority of rebuilding the Nation's infrastructure. The way in which we manage our water resources can improve the quality of our citizens' lives and the environment in which we live.

For example, Corps personnel from across the nation continue to re-construct and improve the storm damage reduction system for New Orleans. Their work will reduce the risk of damage from future storms to people and communities. We remain on schedule to complete the ongoing work, which will upgrade this system, by 2011.

Research and Development

The Research and Development Program for the Civil Works Program provides innovative engineering products, some of which can have applications in the private sector and in the military infrastructure sphere as well. 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.

CONCLUSION

The Corps of Engineers 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 and Members of the Subcommittee. This concludes my statement.