

AGENCY BUDGETS AND PRIORITIES FOR FY 2010

(111-42)

HEARING
BEFORE THE
SUBCOMMITTEE ON
WATER RESOURCES AND ENVIRONMENT
OF THE
COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

JUNE 3, 16, 2009

Printed for the use of the
Committee on Transportation and Infrastructure



U.S. GOVERNMENT PRINTING OFFICE

50-614 PDF

WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
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JUNE 16, 2009

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U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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June 1, 2009

SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Water Resources and Environment
FROM: Subcommittee on Water Resources and Environment Staff
SUBJECT: Hearing on "Agency Budgets and Priorities for FY 2010"

PURPOSE OF THE HEARING

The Subcommittee on Water Resources and Environment will hold two hearings on the President's budget request and agency priorities for fiscal year (FY) 2010 in 2167 Rayburn House Office Building. The first hearing, on Wednesday, June 3, 2009, at 10:00 a.m., will include testimony from the Environmental Protection Agency (EPA), the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS), the National Oceanic and Atmospheric Administration (NOAA), the Saint Lawrence Seaway Development Corporation (SLSDC), and the Tennessee Valley Authority (TVA). The second hearing, on Tuesday, June 16, 2009, at 2:00 p.m., will include testimony from the U.S. Army Corps of Engineers (Corps), the United States Sector of the International Boundary and Water Commission (USIBWC), and the Agency for Toxic Substances and Disease Registry (ATSDR) at the Centers for Disease Control and Prevention.

ENVIRONMENTAL PROTECTION AGENCY

The Administration's FY 2010 budget request for the EPA totals \$10.5 billion, including \$5.2 billion for State and Tribal Assistance Grants, \$2.9 billion for Environmental Programs and Management, and \$1.3 billion for the Hazardous Substance Superfund program. The FY 2010 budget request represents the highest level of funding for EPA in its 39-year history, representing an increase of \$2.9 billion from the FY 2009 appropriations of \$7.6 billion.

Summary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
Science and Technology	790.1	842.3	52.2	6.6%
Environmental Programs and Management	2,392.1	2,940.6	548.5	22.9%
State and Tribal Assistance Grants	2,968.5	5,191.3	2,222.8	74.9%
Clean Water SRF (<i>non-add</i>)	689.1	2,400.0	1,710.9	248.3%
Drinking Water SRF (<i>non- add</i>)	829.0	1,500.0	671.0	80.9%
Hazardous Substance Superfund	1,285.0	1,308.5	23.5	1.8%
Others	210.1	213.3	3.2	1.5%
Total	7,645.7	10,496.0	2,850.3	37.3%

Clean Water

EPA's water programs are designed to provide improvements in the quality of surface waters and drinking water. The Committee on Transportation and Infrastructure has jurisdiction over programs aimed at protecting the nation's water quality. EPA, through its own programs and in combination with states and tribes, seeks to improve water quality in rivers, lakes, and coastal waters through investment in wastewater infrastructure, water quality standards, permitting programs, water quality monitoring, and research, among other activities. EPA's Office of Water operates the agency's water quality protection programs.

Clean Water State Revolving Fund: The FY 2009 budget request provides \$2.4 billion for the Clean Water State Revolving Fund (Clean Water SRF), the largest budget request of any Presidential administration for the program since its creation in 1987. This request is an increase of \$1.7 billion over the FY 2009 appropriation for this program. The Clean Water SRF is the primary federal vehicle for funding wastewater infrastructure programs throughout the nation. Clean Water SRF funds are used for capitalization grants for state Clean Water programs and infrastructure.

Other Wastewater Infrastructure Funding: The FY 2010 appropriations contained funding for 301 targeted drinking water and wastewater infrastructure projects, totaling \$145 million. The FY 2010 budget request contains no funding for targeted infrastructure grants.

The FY 2010 budget requests \$10 million for water infrastructure along the United States-Mexico border. This request is a \$10 million reduction from the FY 2009 appropriation for this program. The FY 2010 request for water infrastructure assistance for Alaska Native Villages is \$10 million, a reduction of \$8.5 million from the FY 2009 appropriation for this program.

Nonpoint Source Water Pollution: The FY 2010 budget request provides \$200.9 million for Clean Water Act section 319 Nonpoint Source Grants. This request is consistent with the FY 2009 appropriation for this program. Grants under section 319 of the Clean Water Act are provided to states, territories, and tribes to help with implementation of EPA-approved nonpoint source management programs.

Regional Programs: EPA's regional programs provide an opportunity to target regionally specific environmental problems and to work closely with state and local partners. The FY 2010 budget request provides \$35.1 million for the Chesapeake Bay program – an increase of \$4.1 million over the FY 2009 appropriation. The budget request for the Gulf of Mexico program is \$4.6 million – an increase of \$60,000 over the FY 2009 appropriation. The budget request for the Long Island Sound program is \$3.0 million, which is consistent with the FY 2009 appropriation for this program. Funding for the San Francisco Bay program¹ in the FY 2010 budget request is \$5 million, and funding for the Puget Sound program is \$20 million. Both amounts are consistent with the FY 2009 appropriations for the respective programs.

2010 Great Lakes Restoration Initiative: In the FY 2010 budget request, the Administration has proposed a new \$475 million Great Lakes Restoration Initiative (Initiative). Through this Initiative, EPA, in partnership with eleven agencies and cabinet organizations, including the Corps of Engineers, the Department of Agriculture, and the Department of Transportation, will lead the development and implementation of programs and projects that target “the most significant problems in the Great Lakes ecosystem and ... demonstrate measurable results.” The Initiative plans to target five areas: (1) toxic substances and areas of concern; (2) invasive species; (3) near-shore health and nonpoint source pollution; (4) habitat and wildlife protection and restoration; and (5) accountability, monitoring, evaluation, communication, and partnerships. The Initiative includes programs funded under specific line-items in previous years' budgets, including the Great Lakes Legacy Act, and funding for the Great Lakes National Program Office. According to EPA staff, the budget request for the Great Lakes Legacy Act (contained as part of the Initiative) is \$60 million, which is an increase of \$23 million over the FY 2009 appropriation for this program. The budget proposal includes legislative authority for the Initiative to transfer funding among the Federal agencies and cabinet organizations, as well as authority for the EPA Administrator to make grants to “governmental entities, nonprofit organizations, institutions, and individuals for planning, research, monitoring, outreach, and implementation” in furtherance of the Initiative.

The Administration is requesting \$27 million for the National Estuaries Program in its FY 2010 budget request. This is a \$410,000 increase from FY 2009 appropriation for this program. The National Estuary Program consists of 28 individual estuary programs located across the country and is focused on environmental restoration of approved estuary management plans.

¹ The San Francisco Bay program and the Puget Sound program are not free-standing program offices with the Environmental Protection Agency, but are part of the larger National Estuaries Program (section 320 of the Clean Water Act).

Other Water Programs: The FY 2010 budget request for EPA's Clean Water Act section 106 Water Pollution Control grant program is \$229.3 million -- an increase of \$10.8 million over the FY 2009 appropriation for this program. The request for the Tribal General Assistance Program (GAP) grants is \$62.9 million (an increase of \$5 million), and the requests for Wetlands Program Development grants (\$17 million) and Beaches Protection program grants (\$10 million) are consistent with the FY 2009 appropriations.

Superfund and Brownfields

Superfund Program: The Comprehensive Environmental Response, Compensation, and Liability Act established the Superfund program in 1980. Superfund is the Federal government's program to clean up the nation's uncontrolled and/or abandoned hazardous waste sites. EPA addresses the highest priority sites by listing them on the Superfund National Priorities List (NPL). EPA's Office of Solid Waste and Emergency Response (OSWER) runs the Superfund program.

The Administration's FY 2010 budget request for Superfund totals \$1.3 billion. This amount is an increase of \$23.5 million over the FY 2009 appropriation for this program. Of this amount, \$202.8 million is for Superfund removal actions, \$605.0 million is for Superfund remedial actions, \$32.2 million is for response activities at Federal facilities, and \$123.6 million is for Superfund enforcement activities (\$173.2 at non-Federal sites, and \$10.4 million at Federal sites).

The Administration's stated FY 2010 priorities for the Superfund program are to continue listing and remediation at the most highly contaminated hazardous waste sites and to complete remedy construction at 22 non-Federal Superfund sites, and 4 Federal sites.

The Administration's FY 2010 budget request proposes to reinstate, beginning in FY 2011, the taxes on petroleum, chemical feed stocks, and corporate income that traditionally funded a significant portion of hazardous waste cleanups under the Superfund program.² The EPA currently spends approximately \$1.3 billion annually to investigate and remediate the nation's hazardous waste sites under the Superfund program. The majority of current spending for the Superfund program is from the General Fund (or \$1.16 billion out of a \$1.3 billion program for FY 2010). The balance of the Superfund program, or \$198 million for FY 2010, is derived from cleanup cost recoveries, interest or profits from investment of the Superfund trust fund, or fines and penalties.

When the Superfund program was enacted in 1980, a significant portion of the cleanup funds were generated from taxes on petroleum, chemical feed stocks, and, later, corporate income. These taxes provided to the Superfund trust fund an average of \$1.45 billion in revenue annually and accounted for approximately 65 percent of annual expenditures for the Superfund program. The additional 35 percent of expenditures were derived from annual trust fund balance carry-overs, cleanup cost recoveries, interest or profits from investments, and fines and penalties. The authority for these Superfund taxes expired in 1995. The Administration is proposing to reinstate the Superfund taxes to fund future cleanup efforts and reduce General Fund expenditures.

Brownfields Program: Brownfields consist of property for which the expansion, redevelopment or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. These sites can consist, for example, of former industrial

² Additional cleanup activities are funded by responsible parties and cost recoveries.

properties, gas stations, or dry cleaners. Estimates of the number of brownfields sites, nationally, range from 450,000 to one million. EPA established the Brownfields Initiative in 1995 to better enable the Federal government, states, and communities to work together to address, cleanup, and reuse brownfields sites. The Small Business Liability Relief and Brownfields Revitalization Act authorized increased funding for EPA to award brownfields assessment, cleanup, and revolving loan fund grants, as well as provided limited Superfund liability protections for certain innocent landowners and bona fide prospective purchasers. EPA's OSWER manages the Brownfields program.

The Administration's FY 2010 budget request for Brownfields totals \$174.7 million. This is an increase of \$5 million over the FY 2009 appropriation. Of this number, the Administration's budget requests \$100 million for brownfields site assessment and cleanup grants (\$200 million authorized), \$49.5 million for State voluntary cleanup programs (\$50 million authorized), and \$25.2 million for EPA's administration of the brownfields program.

NATURAL RESOURCES CONSERVATION SERVICE

Summary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
Watershed Surveys and Planning ³	0.0	0.0	0.0	N/A
Watershed and Flood Prevention Operations	24.3	0.0	-24.3	-100.0%
Watershed Rehabilitation Program	40.0	40.1	0.1	0.25%
Total	64.3	40.1	-24.2	-37.6%

The Natural Resources Conservation Service (NRCS), formerly known as the Soil Conservation Service, small watershed protection program has faced declining requests in recent

³ The NRCS Watershed Surveys and Planning program last received Federal appropriations in FY 2006.

budgets, despite its role in protecting and restoring watersheds damaged by erosion, flood water, and other natural occurrences.

The Administration's budget request for NRCS eliminates funding for the Watershed Surveys and Planning program, and the Watershed and Flood Prevention Operations program, and provides a slight increase in funding (\$0.1 million) for the Watershed Rehabilitation Program from the FY 2009 appropriation.

Watershed Surveys and Planning: The watershed surveys and planning account funds the studies needed to carry out the small watershed program. The Administration's budget requests no money for the Watershed Surveys and Planning Program (studies), and no funds were appropriated for this program in FY 2009.

Small Watershed Program: Under authority of the small watershed program, authorized in the Watershed Protection and Flood Prevention Act of 1954 (P.L. 83-566) and the Act of December 22, 1944 (P.L. 78-534), NRCS provides technical and financial assistance to local organizations to install measures for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife enhancement. Depending on its size and cost, a project may be carried out administratively or with Congressional approval by the House Agriculture Committee (projects with a structure up to 4,000 acre feet of storage capacity) or the Transportation and Infrastructure Committee (projects with a structure over 4,000 acre feet of storage capacity) and comparable Senate committees. There are more than 11,000 such structures under the NRCS authority nationwide.

Watershed and Flood Prevention Operations: The Watershed and Flood Prevention Operations account funds both the Small Watershed Program, discussed above, and the Emergency Watershed Protection Program, which provides assistance to state and local governments after a flood or other emergency has taken place. The Administration's budget requests no money for this account. The FY 2009 appropriation for the watershed and flood prevention operations account was \$24.3 million.

Watershed Rehabilitation Program: In 2000, Congress amended the Watershed Protection and Flood Prevention Act to allow NRCS to provide assistance to rehabilitate flood protection dams that had been built with assistance provided under that Act and have now reached the end of their useful lives, creating threats to property and lives. The Administration's FY 2010 budget request for the watershed rehabilitation program is \$40.1 million, which is an increase from the FY 2009 appropriation of \$40 million for this program.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATIONSummary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
National Ocean Service	558.8	502.7	-56.1	-10%
Coastal Non-point Program (§ 6217 CZARA)	3.9	0.0	-3.9	100%
Office of Oceanic and Atmospheric Research	408.3	404.6	-3.7	-0.9%
Total⁴	4,374.0	4,484.0	110.0	2.5%

The Subcommittee has jurisdiction over various NOAA programs and activities, including responsibilities under the Clean Water Act, the Coastal Zone Act Reauthorization Amendments, the Marine Protection, Research and Sanctuaries Act, Superfund, the Oil Pollution Act, the Nonindigenous Aquatic Nuisance Prevention and Control Act, the Harmful Algal Bloom and Hypoxia Research and Control Act, and the Estuary Habitat Restoration and Partnership Act of 2000. Issues involving the National Ocean Service, such as coastal water pollution and natural resource damages, are of particular interest.

The President's budget requests \$502.7 million for the National Ocean Service for FY 2010, \$56.1 million less than the FY 2009 enacted level of \$558.8 million. Of that amount, no funding is requested for implementation of coastal nonpoint pollution programs under section 6217 of the Coastal Zone Act Reauthorization Amendments, which was funded at \$3.9 million in FY 2009; \$19.1 million is requested to fund natural resource trustee and other activities under Superfund and the Oil Pollution Act – a decrease from the enacted level of \$19.2 million in FY 2009; and \$36.1 for the National Centers for Coastal Ocean Science, which will fund activities under the Harmful Algal Bloom and Hypoxia Research and Control Act – an increase of \$2.7 million for harmful algal bloom research.

The President's budget request also includes \$999,000 for the Office of Oceanic and Atmospheric Research for activities under its Aquatic Invasive Species Program, including activities under the National Invasive Species Act of 1996. The FY 2009 enacted level included \$988,000. This funding is for the purpose of addressing the proliferation of exotic species in marine environments in the North Pacific, funding ballast water demonstration projects, and for invasive species prevention and control.

⁴ Table does not highlight accounts outside the jurisdiction of the Committee on Transportation and Infrastructure.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATIONSummary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
Operation & Maintenance	31.8	32.3	0.5	0.04%
Total	31.8	32.3	0.5	0.04%

The St. Lawrence Seaway is a 328 nautical-mile deep-draft waterway between the Port of Montreal and Lake Erie. It connects the Great Lakes with the Atlantic Ocean via the lower Saint Lawrence River. The Seaway includes a network of 15 locks and connecting channels located in Canada and the United States. Thirteen of the locks belong to Canada and the remaining two locks, located in Massena, NY, belong to the United States.

The U.S. portion of the Seaway was authorized in 1954, and is operated by the SLSDC, an agency within the United States Department of Transportation. The Canadian portion of the Seaway is operated by the St. Lawrence Seaway Management Corporation, a private corporation established in the 1990s, and owned by the nine largest Canadian users of the Seaway.

The St. Lawrence Seaway was opened to traffic in April 1959. It experienced rapid growth in vessel and cargo traffic during its early years, but those trends went into decline in the late 1970s. However, since 1993, cargo traffic volume has shown signs of increasing. The mix of cargoes, however, has changed from one that was diverse during the Seaway's infancy to the current one that is composed largely of lower-value bulk commodities, such as iron ore, coal, and building materials.

Until 1994, tolls were collected for the use of Seaway facilities by United States and Canadian Seaway agencies. However, from April 1987 until October 1994, U.S. tolls were rebated under the authority of the Water Resources Development Act of 1986. Tolls collected by the United States were abolished altogether effective October 1994; however, the Canadian government continues to collect a toll for its portion of the Seaway. Since the 1986 Act, U.S. costs for Seaway operation and upkeep have been funded by annual appropriations out of the Harbor Maintenance Trust Fund.

The President's budget request for FY 2010 proposes \$32.3 million for operations and maintenance of the Seaway – an increase from the FY 2009 appropriation of \$31.8 million for these activities. This funding would be for the daily operation and maintenance of the Seaway, as well as Year Two projects of the Seaway's ten-year capital asset renewal program, authorized in the Water Resources Development Act of 2007. The SLSDC spending plan includes \$16.9 million for agency operations and \$16.3 million for the asset renewal program.

The \$16.3 million request for the asset renewal program will complete an estimated 20 capital and maintenance infrastructure projects, and will address various needs for the two U.S.

Seaway locks, the Seaway International Bridge connecting Ontario and New York, operational systems, and SLSDC facilities and equipment.

Operation, maintenance, and capital asset renewal needs for the U.S. portion of the Saint Lawrence Seaway are derived from appropriations from the Harbor Maintenance Trust Fund, and revenues from other non-Federal sources.

TENNESSEE VALLEY AUTHORITY

Summary of FY 2010 Budget Request:

(in millions)

Program ⁵	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
Total	0.0	0.0	0.0	n/a

TVA is the nation's largest wholesale power producer and the fifth largest electric utility. TVA supplies power to nearly eight million people over an 80,000 square mile service area covering the State of Tennessee, and parts of Mississippi, Alabama, Georgia, North Carolina, Virginia, and Kentucky. In addition, TVA's non-power program responsibilities include the multi-purpose management of land and water resources throughout the Tennessee Valley.

Since FY 2001, the entirety of TVA's power and non-power programs has been funded through its power revenues. TVA receives no appropriated funds. TVA's expected power revenues for FY 2010 are \$13.6 billion and its operating expenses are expected to be approximately \$11.3 billion. This compares to FY 2009 expected revenues of \$13.5 billion and expenses of \$11.3 billion.

The outstanding balance of TVA's bonds, notes, and other evidences of indebtedness is limited by statute and cannot exceed \$30 billion. The FY 2010 budget assumes TVA will increase its debt and debt-like obligations by \$32 million in 2010 primarily from new capital spending for the Watts Bar Unit 2 project (\$681 million) and new generating capacity (\$773 million). TVA's outstanding debt and debt-like obligations were \$25.1 billion at the beginning of 2009, and are estimated to decrease to \$24.9 billion by the end of 2010.

In 2000, the TVA Inspector General (IG) became a Presidential appointed post. The IG currently is funded directly from TVA revenues, subject to TVA board approval. The President's budget proposes to appropriate funds for TVA's IG out of TVA revenues beginning in FY 2010. Under the TVA Act, the TVA board may choose to deposit some power revenues into the U.S. Treasury, but absent Congressional action, TVA's revenues are not available for appropriation.

⁵ Since FY 2001, TVA has not received Federal appropriations, but has funded its power and non-power program through its power revenues.

On December 22, 2008, a retaining wall surrounding a coal-ash wet storage facility for TVA's Kingston Fossil Plant failed, allowing approximately 5.4 million gallons of coal ash to be released onto land adjacent to the plant, as well as into the nearby Clinch and Emory Rivers. Because this failure occurred after the submission of TVA's budget to the Office of Management and Budget, there is no information on the potential environmental cleanup costs for the spill and later recover efforts. However, TVA is required by law to submit financial disclosure statements to the Securities and Exchange Commission. In the most recent submission (10-Q), dated May 1, 2009, TVA acknowledges that the total estimated cleanup costs for the Kingston release range between \$675 million to approximately \$975 million. This estimate does not include the potential costs for additional regulatory actions, litigation, fines, or penalties that may be assessed against or settled by TVA. These costs will either be addressed through TVA's insurance coverage or through TVA's annual operating budget.

ARMY CORPS OF ENGINEERS

The Corps provides water resources development projects for the nation, usually through cost-shared partnerships with Non-Federal sponsors. Activities include navigation, flood control, shoreline protection, hydropower, dam safety, water supply, recreation, environmental restoration and protection, and disaster response and recovery.

Summary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
Investigations	168.1	100.0	-68.1	-40.5%
Construction	2,141.7	1,718.0	-423.7	-19.8%
Operation & Maintenance	2,201.9	2,504.0	302.1	13.7%
Regulatory Program	183.0	190.0	7.0	3.8%
General Expenses	179.4	184.0	4.6	2.6%
Office of Ass't. Sec. of Army (CW) (non-add)	4.5	6.0	1.5	33.3%
Mississippi River and Tributaries	383.8	248.0	-135.8	-35.4%
FUSRAP (hazardous site cleanup)	140.0	134.0	-6.0	-4.3%
Total⁶	5,402.4	5,084.0	-318.4	-5.9%

⁶ Total does not include funding for the Flood Control and Coastal Emergencies (FCCE) account. The FY 2010 request for the FCCE account is \$41.0 million.

The water infrastructure and programs of the Corps support vital economic and environmental needs of this nation. These projects provide for continued economic growth, job creation, and economic stability while protecting human lives and property, ensuring reliable waterborne transportation of goods, and restoring of valuable natural resources.

The Administration's FY 2010 request for the Corps of \$5.1 billion represents a reduction of \$318.4 million from the FY 2009 appropriations for the agency. These cuts will negatively impact the agency's ability to study, design, and construct necessary new water infrastructure projects. However, the Administration's FY 2010 budget request does recognize the importance of increased operation and maintenance funding by providing an increase of \$302.1 million for the operation and maintenance account to address the long term viability of water infrastructure projects.

Investigations: The Administration's FY 2010 budget request proposes to reduce the investigations account to \$100 million, a decline of \$68.1 million from FY 2009 appropriation for this account.

The investigations account is used to fund the study of potential projects related to river and harbor navigation, flood control, shore protection, environmental restoration, and related purposes. This account also funds the restudy of authorized projects, miscellaneous investigations, and plans and specifications of projects prior to construction. The Administration's FY 2009 budget proposes three project specific studies, and two programmatic studies funded under this account: Green River Watershed, KY; Ocmulgee River Watershed, GA; St. Louis Watershed, MO; Access to Water Data; and Water Resources Priorities Study.

The Administration's FY 2010 budget request continues to underfund the Corps' capability to undertake future water resources projects, by including little funding for projects that have completed the feasibility study phase and are ready for preconstruction, engineering, and design. This would continue the practice of forcing projects to abruptly start and stop, dependant on appropriations, and prevent seamless funding of projects that promotes timely completion of projects. If enacted at the levels proposed, the FY 2010 investigations budget could have a negative effect on staffing levels of Corps district offices because the salaries of Corps employees are paid from project funds, and in part from funds for project studies. In addition, the need for new projects is increasing and it is critical to maintain and enhance the capability of the Corps planning mission.

Construction: The Administration's FY 2010 budget request for the construction account of \$1.7 billion represents a reduction of \$423.7 million from the FY 2009 appropriation for this account. These funds are used for the construction of river and harbor, flood control, shore protection, environmental restoration, and related projects specifically authorized or made available for selection by law.

The Administration has assembled its budget based on "performance-based guidelines," which it believes will "improve the overall performance of the construction program by directing funds to high-performing ongoing projects and high-performing new construction starts," focusing on investments on the three main mission areas of the Corps – commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. Typically, more than 240 projects are in some state of construction in any given fiscal year. The FY 2010 budget request contains funding

for only 86 construction projects. Under the Administration's budget proposal, 8 projects should be completed in FY 2010.

The Administration's FY 2010 budget request for the construction account includes five new starts: Napa River, Salt Marsh Restoration, CA; Kansas Cities, MO and KS; Washington, DC & Vicinity; Atlantic Intracoastal Waterway (AIWW), Bridges and Deep Creek, VA; and Norfolk Harbor & Channels, Craney Island, VA. All of these projects, with the exception of the Washington DC & Vicinity project, were authorized in the Water Resources Development Act of 2007.

Operations and Maintenance: The Administration's fiscal year 2010 budget proposes to increase funding in the Operations and Maintenance (O&M) account by \$302.1 million over the FY 2009 appropriation for this account. These funds are necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood damage reduction, environmental restoration, and related projects. The requested level recognizes the importance of operations and maintenance needs and restores the commitment to reliable and efficient operations of our nation's vast water infrastructure.

The Administration's FY 2010 budget request for the O&M account is based on six objective performance criteria that "consider both the condition of the project and the potential consequences for project performance if the O&M activity is not undertaken..." The criteria are:

1. Cost effective measures to increase or maintain asset availability;
2. Cost effective measures to maintain or increase asset reliability;
3. High economic return for the nation;
4. Provide an acceptable level of public safety and health;
5. Cost effective measures to address a significant environmental concern; and
6. Legal requirements.

The Administration's budget request includes \$5.0 million from the O&M account for the "Response to Climate Change at Corps Projects," which is described as a broad assessment of "how and where climate change may affect the management of Civil Works projects to identify options such as changes in operation or other modifications in response to climate change."

Recreation: The Corps is the largest Federal provider of outdoor recreation services. It manages 4,300 recreation areas at 456 Corps' sites in 43 states. Many of the Corps' facilities were built 30-40 years ago, and were designed to meet the recreation needs of the public at that time. Today, Corps facilities serve millions of people per year. The Administration is proposing to spend \$283.0 million on recreation activities in FY 2010, funded through both the O&M account and the Mississippi River and Tributaries account.

Water Trust Funds: The Harbor Maintenance Trust Fund is supported by an ad valorem tax paid by the shippers (not including exporters) of cargo loaded or unloaded at a U.S. port. The funds are used to do maintenance dredging of harbors and to provide for disposal facilities for dredged material. The budget would use \$793 million from the Harbor Maintenance Trust Fund resulting in an increase in the balance of the trust fund to \$5.41 billion at the end of FY 2010. The balance in the Harbor Maintenance Trust Fund has been growing significantly in recent years.

The Inland Waterways Trust Fund is supported by a 20-cent per gallon tax on commercial fuel used on specified inland waterways. The fund is used to pay for half of the federal cost of constructing navigation improvements on those waterways; the remaining half is paid from general revenues. In recent years, the Corps has been steadily spending down the Inland Waterways Trust Fund. The Administration's budget request notes that it will propose to "phase out the current excise tax on diesel fuel for the inland waterways and replace it with a lock usage fee." If the Administration's proposal is enacted, the budget forecasts additional receipts of \$75 million for the Inland Waterways Trust Fund for FY 2010. Together with the \$88 million in estimated receipts from the current excise tax and interest income, total receipts for the Inland Waterways Trust Fund would be \$163 million in FY 2010 under the Administration's budget request. The budget does not include the actual text of the lock usage fee proposal, but the Corps expects to transmit the proposal in the near future.

Regulatory Program: The Administration's FY 2010 budget request for the Corps' Regulatory Program is \$190 million. This is an increase of \$7 million over the FY 2009 appropriation for this account. This program administers the laws pertaining to the regulation of activities affecting the waters of the United States, including wetlands, in accordance with the Rivers and Harbors Appropriation Act of 1899, the Clean Water Act, and the Marine Protection, Research and Sanctuaries Act of 1972.

Under the Administration's budget request of \$190 million for the Regulatory Program, the Corps expects to meet the following performance objectives:

- **Individual Permit Compliance Inspections:** Completed compliance inspections of 10 percent of all individual permits issued and constructed within the preceding fiscal year;
- **General Permit Compliance Inspections:** Completed compliance inspections of 5 percent of all general permits issued and constructed within the preceding fiscal year;
- **Mitigation Site Compliance Inspections:** Completed mitigation compliance inspections of 5 percent of active mitigation sites each fiscal year;
- **Mitigation bank/In-lieu fee Compliance Inspections:** Completed compliance inspections and audits on 20 percent of active mitigation banks and in-lieu fee programs annually;
- **Resolution of Non-compliance Issues:** Resolution on non-compliance with permit conditions and/or mitigation requirements on 20 percent of activities determined to be non-compliant at the end of the previous fiscal year and are determined to be non-compliant during the current fiscal year;
- **Resolution of Enforcement Actions:** Resolution of 20 percent of all pending enforcement actions, such as unauthorized activities, that are unresolved at the end of the previous fiscal year and have been received during the current fiscal year;
- **General Permit Decisions:** Corps' permit decisions on 75 percent of all general permit applications within 90 days; and
- **Individual Permit Decisions:** Corps' permit decisions on 50 percent of all individual permit applications within 120 days (not including individual permits with formal Endangered Species Act consultations).

Formerly Utilized Sites Remedial Action Program (FUSRAP): The Administration's budget requests \$134 million for the FUSRAP program, down \$6.0 million from the FY 2009 appropriation for this account. This program funds the cleanup of certain low-level radioactive

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materials and mixed wastes, located mostly at sites contaminated as a result of the nation's early efforts to develop atomic weapons.

Mississippi River and Tributaries (MR&T): The Administration's FY 2010 budget request for the MR&T account is \$248 million – a reduction of \$135.8 million from the FY 2009 appropriation for this account. The MR&T account provides for the planning, construction, and operation and maintenance activities associated with Mississippi River and Tributaries water resources projects located in the lower Mississippi River Valley from Cape Girardeau, Missouri to the Gulf of Mexico. The FY 2010 budget request contains no new starts for studies or construction projects under the MR&T account.

Flood Control and Coastal Emergencies (FCCE): The Administration's FY 2010 budget request proposed \$41.0 million for the Corps's FCCE account. The Corps has authority under P.L. 84-99 for emergency management activities, including disaster preparedness, emergency operations (flood response and post-flood response), rehabilitation of flood control works threatened or destroyed by floods, protection or repair of federally-authorized shore protection works threatened or damaged by coastal storms, and the provision of emergency water due to drought or contaminated sources. Funds for the FCCE account are typically provided on an emergency basis through supplemental appropriations acts. In FY 2009, the Corps received a supplemental appropriation of \$2.9 billion for FCCE activities relating to the consequences of Hurricane Katrina and other hurricanes of the 2005 season.

UNITED STATES SECTOR OF THE INTERNATIONAL BOUNDARY AND WATER COMMISSION

Summary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
Salaries and Expenses	32.3	33.0	0.7	2.2%
Construction	43.3	43.3	0.0	0.0%
Total	75.6	76.3	0.7	0.9%

First established in 1889, the International Boundary and Water Commission (IBWC) has responsibility for applying the boundary and water treaties between the United States and Mexico, and settling differences that may arise along the 1,952 mile common border. The IBWC is an international body, composed of a United States sector and a Mexican sector, each headed by an Engineer-Commissioner appointed by the respective president. The USIBWC receives its policy guidance from the U.S. Department of State and the Mexican sector of the IBWC received its policy guidance from Mexico's Secretariat of Foreign Relations. The USIBWC is headquartered in El Paso, Texas, and the Mexican IBWC has its headquarters across the Rio Grande River in Ciudad Juarez, Chihuahua.

The IBWC's mission is to apply the rights and obligations that the governments of the United States and Mexico assume under the numerous boundary and water treaties and related agreements. These rights and obligations include flood control and protection, water diversions and supply, border sanitation, and other border water quality concerns.

The Administration's FY 2010 budget request for the USIBWC is \$75.6 million, which is an increase of \$0.7 million over the FY 2009 appropriation for the Commission.

The Administration's request for USIBWC Salaries and Expenses is \$33.0 million, which is an increase of \$0.7 million over the FY 2009 appropriation for this account. The Salaries and Expenses account includes funding for USIBWC administration activities (\$6.8 million), for engineering (\$2.6 million), and for operation and maintenance activities (\$23.6 million).

The Administration's request for USIBWC construction activities is \$43.3 million, which is consistent with the FY 2009 appropriation for this account. Included within this budget request is funding for the following projects:

- Rio Grande Flood Control System Rehabilitation (\$21.4 million);
- Safety of Dams Rehabilitation (\$5 million);
- Colorado River Boundary and Capacity Preservation (\$400,000);
- Reconstruction of the American Canal (\$3.0 million);
- Secondary Treatment of Tijuana Sewage (\$6.0 million);
- Nogales International Outfall Interceptor (\$750,000); and
- Resource and Asset Management Program (\$6.7 million).

In recent years, the Committee closely examined the rights and obligations of the United States and Mexico related to border sanitation along the Tijuana River and the impacts of cross-boundary sanitation issues on the communities of San Diego, California, and Tijuana, Mexico. The Committee has twice moved legislation (Title VIII of Public Law 106-457, the Tijuana River Valley Estuary and Beach Sewage Cleanup Act of 2000, and Public Law 108-245, the Tijuana River Valley Estuary and Beach Sewage Cleanup Act Amendment) to address issues surrounding sewage treatment in the San Diego – Tijuana border region, and conducted an oversight hearing in July 2007 on the construction of a wastewater treatment facility in Mexico that would address the need for additional treatment capacity. The President's FY 2010 budget request includes \$6.0 million for the construction of new wastewater treatment facilities in the United States to address secondary treatment of Tijuana sewage.

AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY

The ATSDR is the nation's public health agency for chemical safety. The agency's mission is to use the best science, take responsive action, and provide trustworthy health information to prevent and mitigate harmful exposures and related disease.

First organized in 1985, ATSDR was created by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, more commonly known as the Superfund law.

Under its CERCLA mandate, the agency's work falls into four functional areas: (1) protecting the public from hazardous exposures; (2) increasing knowledge about toxic substances; (3) educating health care providers and the public about toxic chemicals; and (4) maintaining health registries. In recent years, ATSDR has focused on pathways of potential exposure to toxic chemicals, including food, water, air, and consumer goods.

Summary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
ATSDR	74.0	76.8	2.8	3.8%
Total	74.0	76.8	2.8	3.8%

The Administration's FY 2010 budget request for ATSDR is \$76.8 million, which is an increase of \$2.8 million over the FY 2009 appropriation for the agency. This reflects \$753,000 for pay increases and \$2,000,000 to conduct epidemiologic studies of health conditions caused by non-occupational exposures to uranium released from past mining and milling operations on the Navajo Nation.

FY 2010 funds will support public health activities to identify and evaluate exposures to hazardous substances and to take appropriate actions to prevent and mitigate future exposures. Findings of these investigations will be documented through:

- Public health assessments of waste sites;
- Public health consultations concerning specific exposure scenarios and hazardous substances;
- Health surveillance and registries;
- Responses to emergency releases of hazardous substances;
- Applied research in support of public health assessment activities;
- Information development and dissemination;
- Education and training concerning exposure and hazardous substances, and

- Support of approximately 30 cooperative agreement programs to states and other partners who work in concert with ATSDR to protect the public health of impacted communities.

Prior to FY 2004, the agency received a portion of its funding from the Hazardous Substance Superfund trust fund, which was financed by taxes on petroleum, chemical feed stocks, and corporate income. The taxes that funded the Superfund trust fund expired in 1995. For FY 2010, the Administration's budget request for the agency comes entirely from general revenues; however, the Administration's budget request also calls for the reinstatement of the historic taxes that funded the Superfund trust fund.

WITNESSES

Panel I

Mr. Michael Shapiro

Acting Assistant Administrator
Office of Water
U.S. Environmental Protection Agency

Mr. Barry Breen

Acting Assistant Administrator
Office of Solid Waste and Emergency Response
U.S. Environmental Protection Agency

Chief David White

Natural Resources Conservation Service
U.S. Department of Agriculture

Administrator Collister Johnson, Jr.

Saint Lawrence Seaway Development Corporation
U.S. Department of Transportation

Assistant Administrator John H. Dunnigan

National Ocean Service
National Oceanic and Atmospheric Administration
U.S. Department of Commerce

Mr. John M. Thomas, III

Vice President and Controller, Financial Services
Tennessee Valley Authority



U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

James L. Oberstar
Chairman

John L. Mica
Ranking Republican Member

David Heymsfeld, Chief of Staff
Ward W. McCarragher, Chief Counsel

James W. Coon II, Republican Chief of Staff

June 11, 2009

SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Water Resources and Environment
FROM: Subcommittee on Water Resources and Environment Staff
SUBJECT: Hearing on "Agency Budgets and Priorities for FY 2010, Part 2"

PURPOSE OF THE HEARING

The Subcommittee on Water Resources and Environment will hold two hearings on the President's budget request and agency priorities for fiscal year (FY) 2010 in 2167 Rayburn House Office Building. The first hearing, on Wednesday, June 3, 2009, at 10:00 a.m., will include testimony from the Environmental Protection Agency (EPA), the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS), the National Oceanic and Atmospheric Administration (NOAA), the Saint Lawrence Seaway Development Corporation (SLSDC), and the Tennessee Valley Authority (TVA). The second hearing, on Tuesday, June 16, 2009, at 2:00 p.m., will include testimony from the U.S. Army Corps of Engineers (Corps), the United States Sector of the International Boundary and Water Commission (USIBWC), and the Agency for Toxic Substances and Disease Registry (ATSDR) at the Centers for Disease Control and Prevention.

ENVIRONMENTAL PROTECTION AGENCY

The Administration's FY 2010 budget request for the EPA totals \$10.5 billion, including \$5.2 billion for State and Tribal Assistance Grants, \$2.9 billion for Environmental Programs and Management, and \$1.3 billion for the Hazardous Substance Superfund program. The FY 2010 budget request represents the highest level of funding for EPA in its 39-year history, representing an increase of \$2.9 billion from the FY 2009 appropriations of \$7.6 billion.

Summary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
Science and Technology	790.1	842.3	52.2	6.6%
Environmental Programs and Management	2,392.1	2,940.6	548.5	22.9%
State and Tribal Assistance Grants	2,968.5	5,191.3	2,222.8	74.9%
Clean Water SRF (<i>non-add</i>)	689.1	2,400.0	1,710.9	248.3%
Drinking Water SRF (<i>non-add</i>)	829.0	1,500.0	671.0	80.9%
Hazardous Substance Superfund	1,285.0	1,308.5	23.5	1.8%
Others	210.1	213.3	3.2	1.5%
Total	7,645.7	10,496.0	2,850.3	37.3%

Clean Water

EPA's water programs are designed to provide improvements in the quality of surface waters and drinking water. The Committee on Transportation and Infrastructure has jurisdiction over programs aimed at protecting the nation's water quality. EPA, through its own programs and in combination with states and tribes, seeks to improve water quality in rivers, lakes, and coastal waters through investment in wastewater infrastructure, water quality standards, permitting programs, water quality monitoring, and research, among other activities. EPA's Office of Water operates the agency's water quality protection programs.

Clean Water State Revolving Fund: The FY 2009 budget request provides \$2.4 billion for the Clean Water State Revolving Fund (Clean Water SRF), the largest budget request of any Presidential administration for the program since its creation in 1987. This request is an increase of \$1.7 billion over the FY 2009 appropriation for this program. The Clean Water SRF is the primary federal vehicle for funding wastewater infrastructure programs throughout the nation. Clean Water SRF funds are used for capitalization grants for state Clean Water programs and infrastructure.

Other Wastewater Infrastructure Funding: The FY 2010 appropriations contained funding for 301 targeted drinking water and wastewater infrastructure projects, totaling \$145 million. The FY 2010 budget request contains no funding for targeted infrastructure grants.

The FY 2010 budget requests \$10 million for water infrastructure along the United States-Mexico border. This request is a \$10 million reduction from the FY 2009 appropriation for this program. The FY 2010 request for water infrastructure assistance for Alaska Native Villages is \$10 million, a reduction of \$8.5 million from the FY 2009 appropriation for this program.

Nonpoint Source Water Pollution: The FY 2010 budget request provides \$200.9 million for Clean Water Act section 319 Nonpoint Source Grants. This request is consistent with the FY 2009 appropriation for this program. Grants under section 319 of the Clean Water Act are provided to states, territories, and tribes to help with implementation of EPA-approved nonpoint source management programs.

Regional Programs: EPA's regional programs provide an opportunity to target regionally specific environmental problems and to work closely with state and local partners. The FY 2010 budget request provides \$35.1 million for the Chesapeake Bay program – an increase of \$4.1 million over the FY 2009 appropriation. The budget request for the Gulf of Mexico program is \$4.6 million – an increase of \$60,000 over the FY 2009 appropriation. The budget request for the Long Island Sound program is \$3.0 million, which is consistent with the FY 2009 appropriation for this program. Funding for the San Francisco Bay program¹ in the FY 2010 budget request is \$5 million, and funding for the Puget Sound program is \$20 million. Both amounts are consistent with the FY 2009 appropriations for the respective programs.

2010 Great Lakes Restoration Initiative: In the FY 2010 budget request, the Administration has proposed a new \$475 million Great Lakes Restoration Initiative (Initiative). Through this Initiative, EPA, in partnership with eleven agencies and cabinet organizations, including the Corps of Engineers, the Department of Agriculture, and the Department of Transportation, will lead the development and implementation of programs and projects that target “the most significant problems in the Great Lakes ecosystem and ... demonstrate measurable results.” The Initiative plans to target five areas: (1) toxic substances and areas of concern; (2) invasive species; (3) near-shore health and nonpoint source pollution; (4) habitat and wildlife protection and restoration; and (5) accountability, monitoring, evaluation, communication, and partnerships. The Initiative includes programs funded under specific line-items in previous years' budgets, including the Great Lakes Legacy Act, and funding for the Great Lakes National Program Office. According to EPA staff, the budget request for the Great Lakes Legacy Act (contained as part of the Initiative) is \$60 million, which is an increase of \$23 million over the FY 2009 appropriation for this program. The budget proposal includes legislative authority for the Initiative to transfer funding among the Federal agencies and cabinet organizations, as well as authority for the EPA Administrator to make grants to “governmental entities, nonprofit organizations, institutions, and individuals for planning, research, monitoring, outreach, and implementation” in furtherance of the Initiative.

The Administration is requesting \$27 million for the National Estuaries Program in its FY 2010 budget request. This is a \$410,000 increase from FY 2009 appropriation for this program. The National Estuary Program consists of 28 individual estuary programs located across the country and is focused on environmental restoration of approved estuary management plans.

¹ The San Francisco Bay program and the Puget Sound program are not free-standing program offices with the Environmental Protection Agency, but are part of the larger National Estuaries Program (section 320 of the Clean Water Act).

Other Water Programs: The FY 2010 budget request for EPA's Clean Water Act section 106 Water Pollution Control grant program is \$229.3 million – an increase of \$10.8 million over the FY 2009 appropriation for this program. The request for the Tribal General Assistance Program (GAP) grants is \$62.9 million (an increase of \$5 million), and the requests for Wetlands Program Development grants (\$17 million) and Beaches Protection program grants (\$10 million) are consistent with the FY 2009 appropriations.

Superfund and Brownfields

Superfund Program: The Comprehensive Environmental Response, Compensation, and Liability Act established the Superfund program in 1980. Superfund is the Federal government's program to clean up the nation's uncontrolled and/or abandoned hazardous waste sites. EPA addresses the highest priority sites by listing them on the Superfund National Priorities List (NPL). EPA's Office of Solid Waste and Emergency Response (OSWER) runs the Superfund program.

The Administration's FY 2010 budget request for Superfund totals \$1.3 billion. This amount is an increase of \$23.5 million over the FY 2009 appropriation for this program. Of this amount, \$202.8 million is for Superfund removal actions, \$605.0 million is for Superfund remedial actions, \$32.2 million is for response activities at Federal facilities, and \$183.6 million is for Superfund enforcement activities (\$173.2 at non-Federal sites, and \$10.4 million at Federal sites).

The Administration's stated FY 2010 priorities for the Superfund program are to continue listing and remediation at the most highly contaminated hazardous waste sites and to complete remedy construction at 22 non-Federal Superfund sites, and 4 Federal sites.

The Administration's FY 2010 budget request proposes to reinstate, beginning in FY 2011, the taxes on petroleum, chemical feed stocks, and corporate income that traditionally funded a significant portion of hazardous waste cleanups under the Superfund program.² The EPA currently spends approximately \$1.3 billion annually to investigate and remediate the nation's hazardous waste sites under the Superfund program. The majority of current spending for the Superfund program is from the General Fund (or \$1.16 billion out of a \$1.3 billion program for FY 2010). The balance of the Superfund program, or \$198 million for FY 2010, is derived from cleanup cost recoveries, interest or profits from investment of the Superfund trust fund, or fines and penalties.

When the Superfund program was enacted in 1980, a significant portion of the cleanup funds were generated from taxes on petroleum, chemical feed stocks, and, later, corporate income. These taxes provided to the Superfund trust fund an average of \$1.45 billion in revenue annually and accounted for approximately 65 percent of annual expenditures for the Superfund program. The additional 35 percent of expenditures were derived from annual trust fund balance carry-overs, cleanup cost recoveries, interest or profits from investments, and fines and penalties. The authority for these Superfund taxes expired in 1995. The Administration is proposing to reinstate the Superfund taxes to fund future cleanup efforts and reduce General Fund expenditures.

Brownfields Program: Brownfields consist of property for which the expansion, redevelopment or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. These sites can consist, for example, of former industrial

² Additional cleanup activities are funded by responsible parties and cost recoveries.

properties, gas stations, or dry cleaners. Estimates of the number of brownfields sites, nationally, range from 450,000 to one million. EPA established the Brownfields Initiative in 1995 to better enable the Federal government, states, and communities to work together to address, cleanup, and reuse brownfields sites. The Small Business Liability Relief and Brownfields Revitalization Act authorized increased funding for EPA to award brownfields assessment, cleanup, and revolving loan fund grants, as well as provided limited Superfund liability protections for certain innocent landowners and bona fide prospective purchasers. EPA's OSWER manages the Brownfields program.

The Administration's FY 2010 budget request for Brownfields totals \$174.7 million. This is an increase of \$5 million over the FY 2009 appropriation. Of this number, the Administration's budget requests \$100 million for brownfields site assessment and cleanup grants (\$200 million authorized), \$49.5 million for State voluntary cleanup programs (\$50 million authorized), and \$25.2 million for EPA's administration of the brownfields program.

NATURAL RESOURCES CONSERVATION SERVICE

Summary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
Watershed Surveys and Planning ³	0.0	0.0	0.0	N/A
Watershed and Flood Prevention Operations	24.3	0.0	-24.3	-100.0%
Watershed Rehabilitation Program	40.0	40.1	0.1	0.25%
Total	64.3	40.1	-24.2	-37.6%

The Natural Resources Conservation Service (NRCS), formerly known as the Soil Conservation Service, small watershed protection program has faced declining requests in recent

³ The NRCS Watershed Surveys and Planning program last received Federal appropriations in FY 2006.

budgets, despite its role in protecting and restoring watersheds damaged by erosion, flood water, and other natural occurrences.

The Administration's budget request for NRCS eliminates funding for the Watershed Surveys and Planning program, and the Watershed and Flood Prevention Operations program, and provides a slight increase in funding (\$0.1 million) for the Watershed Rehabilitation Program from the FY 2009 appropriation.

Watershed Surveys and Planning: The watershed surveys and planning account funds the studies needed to carry out the small watershed program. The Administration's budget requests no money for the Watershed Surveys and Planning Program (studies), and no funds were appropriated for this program in FY 2009.

Small Watershed Program: Under authority of the small watershed program, authorized in the Watershed Protection and Flood Prevention Act of 1954 (P.L. 83-566) and the Act of December 22, 1944 (P.L. 78-534), NRCS provides technical and financial assistance to local organizations to install measures for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife enhancement. Depending on its size and cost, a project may be carried out administratively or with Congressional approval by the House Agriculture Committee (projects with a structure up to 4,000 acre feet of storage capacity) or the Transportation and Infrastructure Committee (projects with a structure over 4,000 acre feet of storage capacity) and comparable Senate committees. There are more than 11,000 such structures under the NRCS authority nationwide.

Watershed and Flood Prevention Operations: The Watershed and Flood Prevention Operations account funds both the Small Watershed Program, discussed above, and the Emergency Watershed Protection Program, which provides assistance to state and local governments after a flood or other emergency has taken place. The Administration's budget requests no money for this account. The FY 2009 appropriation for the watershed and flood prevention operations account was \$24.3 million.

Watershed Rehabilitation Program: In 2000, Congress amended the Watershed Protection and Flood Prevention Act to allow NRCS to provide assistance to rehabilitate flood protection dams that had been built with assistance provided under that Act and have now reached the end of their useful lives, creating threats to property and lives. The Administration's FY 2010 budget request for the watershed rehabilitation program is \$40.1 million, which is an increase from the FY 2009 appropriation of \$40 million for this program.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION**Summary of FY 2010 Budget Request:**

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
National Ocean Service	558.8	502.7	-56.1	-10%
Coastal Non-point Program (§ 6217 CZARA)	3.9	0.0	-3.9	100%
Office of Oceanic and Atmospheric Research	408.3	404.6	-3.7	-0.9%
Total⁴	4,374.0	4,484.0	110.0	2.5%

The Subcommittee has jurisdiction over various NOAA programs and activities, including responsibilities under the Clean Water Act, the Coastal Zone Act Reauthorization Amendments, the Marine Protection, Research and Sanctuaries Act, Superfund, the Oil Pollution Act, the Nonindigenous Aquatic Nuisance Prevention and Control Act, the Harmful Algal Bloom and Hypoxia Research and Control Act, and the Estuary Habitat Restoration and Partnership Act of 2000. Issues involving the National Ocean Service, such as coastal water pollution and natural resource damages, are of particular interest.

The President's budget requests \$502.7 million for the National Ocean Service for FY 2010, \$56.1 million less than the FY 2009 enacted level of \$558.8 million. Of that amount, no funding is requested for implementation of coastal nonpoint pollution programs under section 6217 of the Coastal Zone Act Reauthorization Amendments, which was funded at \$3.9 million in FY 2009; \$19.1 million is requested to fund natural resource trustee and other activities under Superfund and the Oil Pollution Act – a decrease from the enacted level of \$19.2 million in FY 2009; and \$36.1 for the National Centers for Coastal Ocean Science, which will fund activities under the Harmful Algal Bloom and Hypoxia Research and Control Act – an increase of \$2.7 million for harmful algal bloom research.

The President's budget request also includes \$999,000 for the Office of Oceanic and Atmospheric Research for activities under its Aquatic Invasive Species Program, including activities under the National Invasive Species Act of 1996. The FY 2009 enacted level included \$988,000. This funding is for the purpose of addressing the proliferation of exotic species in marine environments in the North Pacific, funding ballast water demonstration projects, and for invasive species prevention and control.

⁴ Table does not highlight accounts outside the jurisdiction of the Committee on Transportation and Infrastructure.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Summary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
Operation & Maintenance	31.8	32.3	0.5	0.04%
Total	31.8	32.3	0.5	0.04%

The St. Lawrence Seaway is a 328 nautical-mile deep-draft waterway between the Port of Montreal and Lake Erie. It connects the Great Lakes with the Atlantic Ocean via the lower Saint Lawrence River. The Seaway includes a network of 15 locks and connecting channels located in Canada and the United States. Thirteen of the locks belong to Canada and the remaining two locks, located in Massena, NY, belong to the United States.

The U.S. portion of the Seaway was authorized in 1954, and is operated by the SLSDC, an agency within the United States Department of Transportation. The Canadian portion of the Seaway is operated by the St. Lawrence Seaway Management Corporation, a private corporation established in the 1990s, and owned by the nine largest Canadian users of the Seaway.

The St. Lawrence Seaway was opened to traffic in April 1959. It experienced rapid growth in vessel and cargo traffic during its early years, but those trends went into decline in the late 1970s. However, since 1993, cargo traffic volume has shown signs of increasing. The mix of cargoes, however, has changed from one that was diverse during the Seaway's infancy to the current one that is composed largely of lower-value bulk commodities, such as iron ore, coal, and building materials.

Until 1994, tolls were collected for the use of Seaway facilities by United States and Canadian Seaway agencies. However, from April 1987 until October 1994, U.S. tolls were rebated under the authority of the Water Resources Development Act of 1986. Tolls collected by the United States were abolished altogether effective October 1994; however, the Canadian government continues to collect a toll for its portion of the Seaway. Since the 1986 Act, U.S. costs for Seaway operation and upkeep have been funded by annual appropriations out of the Harbor Maintenance Trust Fund.

The President's budget request for FY 2010 proposes \$32.3 million for operations and maintenance of the Seaway – an increase from the FY 2009 appropriation of \$31.8 million for these activities. This funding would be for the daily operation and maintenance of the Seaway, as well as Year Two projects of the Seaway's ten-year capital asset renewal program, authorized in the Water Resources Development Act of 2007. The SLSDC spending plan includes \$16.9 million for agency operations and \$16.3 million for the asset renewal program.

The \$16.3 million request for the asset renewal program will complete an estimated 20 capital and maintenance infrastructure projects, and will address various needs for the two U.S.

Seaway locks, the Seaway International Bridge connecting Ontario and New York, operational systems, and SLSDC facilities and equipment.

Operation, maintenance, and capital asset renewal needs for the U.S. portion of the Saint Lawrence Seaway are derived from appropriations from the Harbor Maintenance Trust Fund, and revenues from other non-Federal sources.

TENNESSEE VALLEY AUTHORITY

Summary of FY 2010 Budget Request:

(in millions)

Program ⁵	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
Total	0.0	0.0	0.0	n/a

TVA is the nation's largest wholesale power producer and the fifth largest electric utility. TVA supplies power to nearly eight million people over an 80,000 square mile service area covering the State of Tennessee, and parts of Mississippi, Alabama, Georgia, North Carolina, Virginia, and Kentucky. In addition, TVA's non-power program responsibilities include the multi-purpose management of land and water resources throughout the Tennessee Valley.

Since FY 2001, the entirety of TVA's power and non-power programs has been funded through its power revenues. TVA receives no appropriated funds. TVA's expected power revenues for FY 2010 are \$13.6 billion and its operating expenses are expected to be approximately \$11.3 billion. This compares to FY 2009 expected revenues of \$13.5 billion and expenses of \$11.3 billion.

The outstanding balance of TVA's bonds, notes, and other evidences of indebtedness is limited by statute and cannot exceed \$30 billion. The FY 2010 budget assumes TVA will increase its debt and debt-like obligations by \$32 million in 2010 primarily from new capital spending for the Watts Bar Unit 2 project (\$681 million) and new generating capacity (\$773 million). TVA's outstanding debt and debt-like obligations were \$25.1 billion at the beginning of 2009, and are estimated to decrease to \$24.9 billion by the end of 2010.

In 2000, the TVA Inspector General (IG) became a Presidential appointed post. The IG currently is funded directly from TVA revenues, subject to TVA board approval. The President's budget proposes to appropriate funds for TVA's IG out of TVA revenues beginning in FY 2010. Under the TVA Act, the TVA board may choose to deposit some power revenues into the U.S. Treasury, but absent Congressional action, TVA's revenues are not available for appropriation.

⁵ Since FY 2001, TVA has not received Federal appropriations, but has funded its power and non-power program through its power revenues.

On December 22, 2008, a retaining wall surrounding a coal-ash wet storage facility for TVA's Kingston Fossil Plant failed, allowing approximately 5.4 million gallons of coal ash to be released onto land adjacent to the plant, as well as into the nearby Clinch and Emory Rivers. Because this failure occurred after the submission of TVA's budget to the Office of Management and Budget, there is no information on the potential environmental cleanup costs for the spill and later recover efforts. However, TVA is required by law to submit financial disclosure statements to the Securities and Exchange Commission. In the most recent submission (10-Q), dated May 1, 2009, TVA acknowledges that the total estimated cleanup costs for the Kingston release range between \$675 million to approximately \$975 million. This estimate does not include the potential costs for additional regulatory actions, litigation, fines, or penalties that may be assessed against or settled by TVA. These costs will either be addressed through TVA's insurance coverage or through TVA's annual operating budget.

ARMY CORPS OF ENGINEERS

The Corps provides water resources development projects for the nation, usually through cost-shared partnerships with Non-Federal sponsors. Activities include navigation, flood control, shoreline protection, hydropower, dam safety, water supply, recreation, environmental restoration and protection, and disaster response and recovery.

Summary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
Investigations	168.1	100.0	-68.1	-40.5%
Construction	2,141.7	1,718.0	-423.7	-19.8%
Operation & Maintenance	2,201.9	2,504.0	302.1	13.7%
Regulatory Program	183.0	190.0	7.0	3.8%
General Expenses	179.4	184.0	4.6	2.6%
Office of Ass't. Sec. of Army (CW) (non-add)	4.5	6.0	1.5	33.3%
Mississippi River and Tributaries	383.8	248.0	-135.8	-35.4%
FUSRAP (hazardous site cleanup)	140.0	134.0	-6.0	-4.3%
Total⁶	5,402.4	5,084.0	-318.4	-5.9%

⁶ Total does not include funding for the Flood Control and Coastal Emergencies (FCCE) account. The FY 2010 request for the FCCE account is \$41.0 million.

The water infrastructure and programs of the Corps support vital economic and environmental needs of this nation. These projects provide for continued economic growth, job creation, and economic stability while protecting human lives and property, ensuring reliable waterborne transportation of goods, and restoring of valuable natural resources.

The Administration's FY 2010 request for the Corps of \$5.1 billion represents a reduction of \$318.4 million from the FY 2009 appropriations for the agency. These cuts will negatively impact the agency's ability to study, design, and construct necessary new water infrastructure projects. However, the Administration's FY 2010 budget request does recognize the importance of increased operation and maintenance funding by providing an increase of \$302.1 million for the operation and maintenance account to address the long term viability of water infrastructure projects.

Investigations: The Administration's FY 2010 budget request proposes to reduce the investigations account to \$100 million, a decline of \$68.1 million from FY 2009 appropriation for this account.

The investigations account is used to fund the study of potential projects related to river and harbor navigation, flood control, shore protection, environmental restoration, and related purposes. This account also funds the restudy of authorized projects, miscellaneous investigations, and plans and specifications of projects prior to construction. The Administration's FY 2009 budget proposes three project specific studies, and two programmatic studies funded under this account: Green River Watershed, KY; Ocmulgee River Watershed, GA; St. Louis Watershed, MO; Access to Water Data; and Water Resources Priorities Study.

The Administration's FY 2010 budget request continues to underfund the Corps' capability to undertake future water resources projects, by including little funding for projects that have completed the feasibility study phase and are ready for preconstruction, engineering, and design. This would continue the practice of forcing projects to abruptly start and stop, dependant on appropriations, and prevent seamless funding of projects that promotes timely completion of projects. If enacted at the levels proposed, the FY 2010 investigations budget could have a negative effect on staffing levels of Corps district offices because the salaries of Corps employees are paid from project funds, and in part from funds for project studies. In addition, the need for new projects is increasing and it is critical to maintain and enhance the capability of the Corps planning mission.

Construction: The Administration's FY 2010 budget request for the construction account of \$1.7 billion represents a reduction of \$423.7 million from the FY 2009 appropriation for this account. These funds are used for the construction of river and harbor, flood control, shore protection, environmental restoration, and related projects specifically authorized or made available for selection by law.

The Administration has assembled its budget based on "performance-based guidelines," which it believes will "improve the overall performance of the construction program by directing funds to high-performing ongoing projects and high-performing new construction starts," focusing on investments on the three main mission areas of the Corps – commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. Typically, more than 240 projects are in some state of construction in any given fiscal year. The FY 2010 budget request contains funding

for only 86 construction projects. Under the Administration's budget proposal, 8 projects should be completed in FY 2010.

The Administration's FY 2010 budget request for the construction account includes five new starts: Napa River, Salt Marsh Restoration, CA; Kansas Cities, MO and KS; Washington, DC & Vicinity; Atlantic Intracoastal Waterway (AIWW), Bridges and Deep Creek, VA; and Norfolk Harbor & Channels, Crancy Island, VA. All of these projects, with the exception of the Washington DC & Vicinity project, were authorized in the Water Resources Development Act of 2007.

Operations and Maintenance: The Administration's fiscal year 2010 budget proposes to increase funding in the Operations and Maintenance (O&M) account by \$302.1 million over the FY 2009 appropriation for this account. These funds are necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood damage reduction, environmental restoration, and related projects. The requested level recognizes the importance of operations and maintenance needs and restores the commitment to reliable and efficient operations of our nation's vast water infrastructure.

The Administration's FY 2010 budget request for the O&M account is based on six objective performance criteria that "consider both the condition of the project and the potential consequences for project performance if the O&M activity is not undertaken..." The criteria are:

1. Cost effective measures to increase or maintain asset availability;
2. Cost effective measures to maintain or increase asset reliability;
3. High economic return for the nation;
4. Provide an acceptable level of public safety and health;
5. Cost effective measures to address a significant environmental concern; and
6. Legal requirements.

The Administration's budget request includes \$5.0 million from the O&M account for the "Response to Climate Change at Corps Projects," which is described as a broad assessment of "how and where climate change may affect the management of Civil Works projects to identify options such as changes in operation or other modifications in response to climate change."

Recreation: The Corps is the largest Federal provider of outdoor recreation services. It manages 4,300 recreation areas at 456 Corps' sites in 43 states. Many of the Corps' facilities were built 30-40 years ago, and were designed to meet the recreation needs of the public at that time. Today, Corps facilities serve millions of people per year. The Administration is proposing to spend \$283.0 million on recreation activities in FY 2010, funded through both the O&M account and the Mississippi River and Tributaries account.

Water Trust Funds: The Harbor Maintenance Trust Fund is supported by an ad valorem tax paid by the shippers (not including exporters) of cargo loaded or unloaded at a U.S. port. The funds are used to do maintenance dredging of harbors and to provide for disposal facilities for dredged material. The budget would use \$793 million from the Harbor Maintenance Trust Fund resulting in an increase in the balance of the trust fund to \$5.41 billion at the end of FY 2010. The balance in the Harbor Maintenance Trust Fund has been growing significantly in recent years.

The Inland Waterways Trust Fund is supported by a 20-cent per gallon tax on commercial fuel used on specified inland waterways. The fund is used to pay for half of the federal cost of constructing navigation improvements on those waterways; the remaining half is paid from general revenues. In recent years, the Corps has been steadily spending down the Inland Waterways Trust Fund. The Administration's budget request notes that it will propose to "phase out the current excise tax on diesel fuel for the inland waterways and replace it with a lock usage fee." If the Administration's proposal is enacted, the budget forecasts additional receipts of \$75 million for the Inland Waterways Trust Fund for FY 2010. Together with the \$88 million in estimated receipts from the current excise tax and interest income, total receipts for the Inland Waterways Trust Fund would be \$163 million in FY 2010 under the Administration's budget request. The budget does not include the actual text of the lock usage fee proposal, but the Corps expects to transmit the proposal in the near future.

Regulatory Program: The Administration's FY 2010 budget request for the Corps' Regulatory Program is \$190 million. This is an increase of \$7 million over the FY 2009 appropriation for this account. This program administers the laws pertaining to the regulation of activities affecting the waters of the United States, including wetlands, in accordance with the Rivers and Harbors Appropriation Act of 1899, the Clean Water Act, and the Marine Protection, Research and Sanctuaries Act of 1972.

Under the Administration's budget request of \$190 million for the Regulatory Program, the Corps expects to meet the following performance objectives:

- **Individual Permit Compliance Inspections:** Completed compliance inspections of 10 percent of all individual permits issued and constructed within the preceding fiscal year;
- **General Permit Compliance Inspections:** Completed compliance inspections of 5 percent of all general permits issues and constructed within the preceding fiscal year;
- **Mitigation Site Compliance Inspections:** Completed mitigation compliance inspections of 5 percent of active mitigation sites each fiscal year;
- **Mitigation bank/In-lieu fee Compliance Inspections:** Completed compliance inspections and audits on 20 percent of active mitigation banks and in-lieu fee programs annually;
- **Resolution of Non-compliance Issues:** Resolution on non-compliance with permit conditions and/or mitigation requirements on 20 percent of activities determined to be non-compliant at the end of the previous fiscal year and are determined to be non-compliant during the current fiscal year;
- **Resolution of Enforcement Actions:** Resolution of 20 percent of all pending enforcement actions, such as unauthorized activities, that are unresolved at the end of the previous fiscal year and have been received during the current fiscal year;
- **General Permit Decisions:** Corps' permit decisions on 75 percent of all general permit applications within 90 days; and
- **Individual Permit Decisions:** Corps' permit decisions on 50 percent of all individual permit applications within 120 days (not including individual permits with formal Endangered Species Act consultations).

Formerly Utilized Sites Remedial Action Program (FUSRAP): The Administration's budget requests \$134 million for the FUSRAP program, down \$6.0 million from the FY 2009

appropriation for this account. This program funds the cleanup of certain low-level radioactive materials and mixed wastes, located mostly at sites contaminated as a result of the nation's early efforts to develop atomic weapons.

Mississippi River and Tributaries (MR&T): The Administration's FY 2010 budget request for the MR&T account is \$248 million – a reduction of \$135.8 million from the FY 2009 appropriation for this account. The MR&T account provides for the planning, construction, and operation and maintenance activities associated with Mississippi River and Tributaries water resources projects located in the lower Mississippi River Valley from Cape Girardeau, Missouri to the Gulf of Mexico. The FY 2010 budget request contains no new starts for studies or construction projects under the MR&T account.

Flood Control and Coastal Emergencies (FCCE): The Administration's FY 2010 budget request proposed \$41.0 million for the Corps's FCCE account. The Corps has authority under P.L. 84-99 for emergency management activities, including disaster preparedness, emergency operations (flood response and post-flood response), rehabilitation of flood control works threatened or destroyed by floods, protection or repair of federally-authorized shore protection works threatened or damaged by coastal storms, and the provision of emergency water due to drought or contaminated sources. Funds for the FCCE account are typically provided on an emergency basis through supplemental appropriations acts. In FY 2009, the Corps received a supplemental appropriation of \$2.9 billion for FCCE activities relating to the consequences of Hurricane Katrina and other hurricanes of the 2005 season.

UNITED STATES SECTOR OF THE INTERNATIONAL BOUNDARY AND WATER COMMISSION

Summary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
Salaries and Expenses	32.3	33.0	0.7	2.2%
Construction	43.3	43.3	0.0	0.0%
Total	75.6	76.3	0.7	0.9%

First established in 1889, the International Boundary and Water Commission (IBWC) has responsibility for applying the boundary and water treaties between the United States and Mexico, and settling differences that may arise along the 1,952 mile common border. The IBWC is an international body, composed of a United States sector and a Mexican sector, each headed by an Engineer-Commissioner appointed by the respective president. The USIBWC receives its policy guidance from the U.S. Department of State and the Mexican sector of the IBWC received its policy guidance from Mexico's Secretariat of Foreign Relations. The USIBWC is headquartered in El Paso, Texas, and the Mexican IBWC has its headquarters across the Rio Grande River in Ciudad Juarez, Chihuahua.

The IBWC's mission is to apply the rights and obligations that the governments of the United States and Mexico assume under the numerous boundary and water treaties and related agreements. These rights and obligations include flood control and protection, water diversions and supply, border sanitation, and other border water quality concerns.

The Administration's FY 2010 budget request for the USIBWC is \$75.6 million, which is an increase of \$0.7 million over the FY 2009 appropriation for the Commission.

The Administration's request for USIBWC Salaries and Expenses is \$33.0 million, which is an increase of \$0.7 million over the FY 2009 appropriation for this account. The Salaries and Expenses account includes funding for USIBWC administration activities (\$6.8 million), for engineering (\$2.6 million), and for operation and maintenance activities (\$23.6 million).

The Administration's request for USIBWC construction activities is \$43.3 million, which is consistent with the FY 2009 appropriation for this account. Included within this budget request is funding for the following projects:

- Rio Grande Flood Control System Rehabilitation (\$21.4 million);
- Safety of Dams Rehabilitation (\$5 million);
- Colorado River Boundary and Capacity Preservation (\$400,000);
- Reconstruction of the American Canal (\$3.0 million);
- Secondary Treatment of Tijuana Sewage (\$6.0 million);
- Nogales International Outfall Interceptor (\$750,000); and
- Resource and Asset Management Program (\$6.7 million).

In recent years, the Committee closely examined the rights and obligations of the United States and Mexico related to border sanitation along the Tijuana River and the impacts of cross-boundary sanitation issues on the communities of San Diego, California, and Tijuana, Mexico. The Committee has twice moved legislation (Title VIII of Public Law 106-457, the Tijuana River Valley Estuary and Beach Sewage Cleanup Act of 2000, and Public Law 108-245, the Tijuana River Valley Estuary and Beach Sewage Cleanup Act Amendment) to address issues surrounding sewage treatment in the San Diego – Tijuana border region, and conducted an oversight hearing in July 2007 on the construction of a wastewater treatment facility in Mexico that would address the need for additional treatment capacity. The President's FY 2010 budget request includes \$6.0 million for the construction of new wastewater treatment facilities in the United States to address secondary treatment of Tijuana sewage.

AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY

The ATSDR is the nation's public health agency for chemical safety. The agency's mission is to use the best science, take responsive action, and provide trustworthy health information to prevent and mitigate harmful exposures and related disease.

First organized in 1965, ATSDR was created by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, more commonly known as the Superfund law.

Under its CERCLA mandate, the agency's work falls into four functional areas: (1) protecting the public from hazardous exposures; (2) increasing knowledge about toxic substances; (3) educating health care providers and the public about toxic chemicals; and (4) maintaining health registries. In recent years, ATSDR has focused on pathways of potential exposure to toxic chemicals, including food, water, air, and consumer goods.

Summary of FY 2010 Budget Request:

(in millions)

Program	FY2009 Enacted	FY2010 President's Budget	Diff. of FY2010 Pres. Budget and FY2009	
			\$	%
ATSDR	74.0	76.8	2.8	3.8%
Total	74.0	76.8	2.8	3.8%

The Administration's FY 2010 budget request for ATSDR is \$76.8 million, which is an increase of \$2.8 million over the FY 2009 appropriation for the agency. This reflects \$753,000 for pay increases and \$2,000,000 to conduct epidemiologic studies of health conditions caused by non-occupational exposures to uranium released from past mining and milling operations on the Navajo Nation.

FY 2010 funds will support public health activities to identify and evaluate exposures to hazardous substances and to take appropriate actions to prevent and mitigate future exposures. Findings of these investigations will be documented through:

- Public health assessments of waste sites;
- Public health consultations concerning specific exposure scenarios and hazardous substances;
- Health surveillance and registries;
- Responses to emergency releases of hazardous substances;
- Applied research in support of public health assessment activities;
- Information development and dissemination;
- Education and training concerning exposure and hazardous substances, and

- Support of approximately 30 cooperative agreement programs to states and other partners who work in concert with ATSDR to protect the public health of impacted communities.

Prior to FY 2004, the agency received a portion of its funding from the Hazardous Substance Superfund trust fund, which was financed by taxes on petroleum, chemical feed stocks, and corporate income. The taxes that funded the Superfund trust fund expired in 1995. For FY 2010, the Administration's budget request for the agency comes entirely from general revenues; however, the Administration's budget request also calls for the reinstatement of the historic taxes that funded the Superfund trust fund.

WITNESSES

Panel I

Mr. Terrance C. Salt

Acting Assistant Secretary of the Army for Civil Works
U.S. Army Corps of Engineers

Lieutenant General Robert L. "Van" Van Antwerp

Chief of Engineers
U.S. Army Corps of Engineers

Commissioner C.W. "Bill" Ruth

International Boundary and Water Commission, U.S. Section

Dr. Howard Frumkin

Director
National Center for Environmental Health
Agency for Toxic Substances and Disease Registry
Centers for Disease Control and Prevention

HEARING ON AGENCY BUDGETS AND PRIORITIES FOR FISCAL YEAR 2010, PART 1

Wednesday, June 3, 2009,

HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON WATER RESOURCES AND
ENVIRONMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The Subcommittee met, pursuant to call, at 10:00 a.m., in Room 2167, Rayburn House Office Building, the Honorable Eddie Bernice Johnson [Chairwoman of the Subcommittee] presiding.

Ms. JOHNSON OF TEXAS. The meeting will come to order.

Good morning. Today's hearing marks the first of two hearings on the fiscal year 2010 budget and the priorities of agencies under the jurisdiction of the Subcommittee. At today's hearing, the Subcommittee will receive testimony from the Environmental Protection Agency, the Natural Resources Conservation Service, the Saint Lawrence Seaway Development Corporation, the National Oceanic and Atmospheric Administration, and the Tennessee Valley Authority. On the afternoon of June 16th, the Subcommittee will hear testimony from the Corps of Engineers, the International Boundary and Water Commission, and the Agency for Toxic Substances and Disease Registry.

With respect to the President's budget, let me start by saying that change has finally come. For most of the agencies here this morning, it is a welcome change. Only a year ago, I was conducting the budget request for the previous Administration, which was not adequate to meet the Nation's needs. Today's message is much more optimistic, at least with respect to investment in the Nation's growing wastewater infrastructure needs and the commitment to clean, safe, and secure water for all Americans.

For the Environmental Protection Agency, the President's fiscal year 2010 request is \$10.5 billion, the greatest level of funding requested for the agency since its inception and almost \$3.5 billion more than the last request of the Bush Administration. Similarly, the Administration's request for the Clean Water State Revolving Fund is \$2.4 billion, the greatest level of funding requested for this program since it was enacted in 1987 and one that renews the Federal commitment to meeting the Nation's growing wastewater infrastructure needs.

The Administration needs to be commended for producing a budget that for the most part restores the prospect of a cleaner, more sustainable future. However, I would be remiss if I did not

state that in certain areas this budget could still undergo some improvement.

For example, in EPA's Superfund program, although the Administration requests an increase in funding for the program, the budget request has revised downward the number of sites that will be cleaned up in the current fiscal year from 35 sites to 20. In addition, the estimated number of Superfund construction complete sites for fiscal year 2010 is only 22 sites.

While this is an ever so slight increase in the pace of cleanup, it is still a ways off of the pace that this agency has demonstrated in the past. I would gather that a leading factor for the slowdown in cleanup has been a lack of available funds for this program over the past few years and a slowdown in the Superfund pipeline of moving cleanup projects from the investigation phase to the design phase and to the implementation of effective cleanup plans.

To that end, I am pleased that the Administration has renewed the call for reinstatement of taxes on petroleum, chemical feedstock, and corporate income that traditionally funded hazardous waste cleanups under the Superfund program. This effort, which was abandoned under the last Administration, should allow for an increase in the number and pace of cleanups and a return to the goal of "polluter pays".

Another area of the budget that needs improvement is the request for the Natural Resources Conservation Service's Watershed Survey and Planning Program and its Watershed and Flood Prevention Operations Program. The fact that the President's budget eliminates funding for these programs fails to recognize the vital role of the Agency in protecting and restoring watersheds damaged by erosion, floodwater, and other natural occurrences. These programs have proven critical for improving the quality of waters located in the agricultural regions of the Nation.

I am pleased that representatives of the Saint Lawrence Seaway Development Corporation, the National Oceanic and Atmospheric Administration, and the Tennessee Valley Authority could also join us this morning. Like EPA and NRCS, the budgets of these agencies have points of praise and points of criticism.

I am heartened to see that the President's fiscal year 2010 budget continues a commitment to the renewal of the physical assets of the Seaway as called for in the Water Resources Development Act of 2007. This vital corridor between the Great Lakes region and the Atlantic Ocean is critical to the regional economies surrounding the Seaway and the hastened recovery and sustainability of the Nation's economy.

I am concerned about the decision by the President to eliminate funding for NOAA's Coastal Nonpoint Source Pollution Control Programs. I understand the recognition in today's testimony about how nonpoint source pollution control funding appears in the budgets of several Federal agencies, which I would surmise is an excuse by which funding for NOAA's Coastal Nonpoint Program was eliminated.

However, since all the three agencies are here today, it is fair to state that combined efforts following the elimination of NOAA's Coastal Nonpoint Program, the flat funding of EPA's Nonpoint Source Program, and the slight increase in the NRCS's Environ-

mental Quality Incentives Program will not adequately address the continuing impact of nonpoint source pollution on the Nation's waters. If we are serious about addressing nonpoint sources of pollution, we need to be honest about the investments that are actually being made to control what has become the single largest source of impairment to the Nation's streams, lakes, and estuaries.

I welcome each of the witnesses here this morning. I now yield to the Ranking Member of the Subcommittee, Mr. Boozman, for his comments.

Mr. BOOZMAN. Thank you, Madam Chair.

Let me begin by saying that I support the President's efforts to control Federal spending. However, the agency programs that we are examining today are truly investments in America. These are important programs that benefit our economy and improve the quality of life for our citizens. While I believe we must be diligent in our oversight of these agencies to be sure that programs are run effectively and efficiently, I do not support cutting programs or flat funding programs that have a proven record of providing economic benefits.

It is inevitable that the Administration's priorities and Congressional priorities will not always coincide. But for the Environmental Protection Agency and the National Oceanic and Atmospheric Administration programs that fall within the jurisdiction of this Subcommittee, I would like to think that we have the same goals of protecting our environment in a cost effective way.

The Administration's budget proposal for fiscal year 2010 continues a long trend of under-investing in the Nation's water infrastructure. As a result, the general condition of our water infrastructure and water resources has declined.

While I applaud the Administration for increasing their request for EPA's Clean Water State Revolving Loan Fund, the Superfund and Brownfields Programs are budgeted at a flat rate compared to previous funding levels. These are important programs that make contaminated areas fit for redevelopment. Many of the smaller and easier cleanup projects have already been done so the remaining work tends to be more complex and more expensive to complete.

I do have a serious concern with the Administration's proposal to reinstate Superfund taxes to the Superfund Hazardous Waste Site Cleanup Program. These punitive Superfund taxes unfairly penalize those who are not responsible for the pollution at the Superfund sites. Under this proposal, Superfund taxes would be levied on many companies and industries such as financial, insurance, real estate, retail and wholesale trade, and service businesses that have absolutely no connection to a Superfund site or to any environmental cleanup.

Superfund should remain a recovery statute, not a punitive one on those who fuel the Nation's economic engine. Cost recovery advances the polluter pays principle, not taxing innocent businesses. Shifting the burden to those who had no part in the site contamination is simply unfair and unwarranted.

Another worthy program that has virtually been ignored by the Administration is the Small Watershed Program of the Natural Resources Conservation Service. This program provides small, cost efficient projects that protect our water and our land in rural Amer-

ica. Under the Administration's budget, the President proposes to terminate the Watershed and Flood Prevention Programs and essentially flat fund the Watershed Rehabilitation Program.

The Saint Lawrence Seaway Development Corporation is a transportation agency that manages the U.S. portion of the Saint Lawrence Seaway. While the funding request for year 2010 may address the immediate operation and maintenance needs, I am concerned about the long term viability of the Seaway if the Corporation does not have the funds to invest in a major rehabilitation of this vital link between the cities of the Great Lakes and the global marketplace.

The Tennessee Valley Authority does not rely on appropriations since it is self-financing. TVA derives all of its funding from revenues from the eight million people in seven States that it supplies with electricity. I, like many others in Congress, are concerned about TVA's long term financial health. I am looking to the Board to provide some assurances that they can reduce the Authority's debt while continuing to strengthen the economy in the Tennessee Valley.

I thank all of the witnesses for being here and I look forward to your testimony. I appreciate your service. I yield back, Madam Chair.

Ms. JOHNSON OF TEXAS. Thank you very much.

Dr. Ehlers?

Mr. EHLERS. Thank you, Madam Chair. I want to thank you for holding this hearing on the President's fiscal year 2010 budget.

I would like to briefly discuss a portion of the President's budget that I strongly support, the Great Lakes Restoration Initiative. The Great Lakes are indeed a national treasure. The Lakes hold 95 percent of U.S. surface fresh water and are the largest system of surface fresh water on this planet. In addition to offering recreation and transportation options, the Great Lakes also provide more than 30 million people with drinking water.

Unfortunately, the health of the Great Lakes is threatened by aquatic invasive species, contaminated sediment, nonpoint source pollution, and habitat loss. Failure to protect and restore the Lakes now will result in more serious consequences in the future in addition to increasing cleanup costs.

Since being elected to Congress, I have championed Great Lakes restoration efforts. I am encouraged that the President's budget and the budget resolution that Congress passed both include \$475 million for the Great Lakes Restoration Initiative. Although this amount is still far short of what is needed to properly restore the Great Lakes, it is a very significant down payment. We now have to work with appropriators and the Senate to ensure that this Initiative is fully funded. We particularly need to ensure that Legacy Act is fully authorized at \$150 million.

I look forward to hearing more from our witnesses about how this Great Lakes Restoration Initiative will be implemented. Thank you, Madam Chair. I yield back.

Ms. JOHNSON OF TEXAS. Thank you very much. Now I will recognize Mr. Brown.

Mr. BROWN. Thank you, Madam Chair, for holding this hearing today to review the budget of EPA, NOAA, and other agencies

under our jurisdiction. As this is the first budget for the new Administration, I look forward to hearing from the many agencies represented here with us today.

As a representative of 75 percent of South Carolina's coast, I am especially focused on EPA's Beach Water Quality Program. This program supports State and local efforts to monitor water quality at our Nation's beaches, something that is critically important for districts like mine that depend upon beach tourism for a major portion of our economy. I am pleased to see EPA's continued support for this program, especially the Agency's effort to modernize funding. Later this week the Full Committee will be marking up legislation to reauthorize the Beach Act and I am hopeful it will come to the Floor soon.

I am proud to serve as Ranking Member on the Ocean Subcommittee of the Natural Resource Committee, which has a significant interest in the activities of NOAA. The portion of NOAA under the jurisdiction of this Subcommittee plays an important role with all the other NOAA responsibilities. I look forward to learning about the Administration's priorities for NOAA in this regard.

Again, thank you, Madam Chairman and Ranking Member Boozman, for holding this hearing. Thank you, gentlemen, for your testimony.

Ms. JOHNSON OF TEXAS. Thank you very much.

Now I will introduce our witnesses. Mr. Michael Shapiro is Acting Assistant Administrator for the Office of Water at the U.S. Environmental Protection Agency in Washington, D.C. Mr. Barry Breen is the Acting Assistant Administrator for the Office of Solid Waste and Emergency Response at the U.S. Environmental Protection Agency in Washington, DC.

Chief David White is with the Natural Resources Conservation Service at the U.S. Department of Agriculture in Washington, D.C. Administrator Collister Johnson, Jr. is from the Saint Lawrence Seaway Development Corporation of the U.S. Department of Transportation in Washington, DC.

Assistant Administrator John H. Dunnigan is with the National Ocean Service of the National Oceanic and Atmospheric Administration, U.S. Department of Commerce, in Silver Spring, Maryland. Finally, Mr. John M. Thomas, III, is Vice President and Controller of Financial Services at the Tennessee Valley Authority in Knoxville, Tennessee.

I will recognize you in the order in which I called your name. Mr. Shapiro, you may begin your testimony.

TESTIMONY OF MICHAEL SHAPIRO, ACTING ASSISTANT ADMINISTRATOR, OFFICE OF WATER, U.S. ENVIRONMENTAL PROTECTION AGENCY; BARRY BREEN, ACTING ASSISTANT ADMINISTRATOR, OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, U.S. ENVIRONMENTAL PROTECTION AGENCY; DAVID WHITE, CHIEF, NATURAL RESOURCES CONSERVATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE; COLLISTER JOHNSON, JR., ADMINISTRATOR, SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION, U.S. DEPARTMENT OF TRANSPORTATION; JOHN H. DUNNIGAN, ASSISTANT ADMINISTRATOR, NATIONAL OCEAN SERVICE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE; AND JOHN M. THOMAS, III, VICE PRESIDENT AND CONTROLLER, FINANCIAL SERVICES, TENNESSEE VALLEY AUTHORITY

Mr. SHAPIRO. Good morning, Madam Chair and Members of the Subcommittee. Thank you for this opportunity to speak about the President's fiscal year 2010 budget request for EPA's National Water Programs.

The request for our Clean Water and Drinking Water Programs is for \$5.5 billion, which is about 53 percent of the Agency's budget. This also represents an increase of almost \$3 billion over our fiscal year 2009 level. It will enable EPA in collaboration with our State, local, and tribal partners to advance our mission of protecting human health and the environment and specifically to make America's waters clean, safe, and secure.

EPA has made progress in protecting and improving water quality. However, many challenges remain. The fiscal year 2010 budget request will help EPA to address these challenges by supporting our core water programs and by providing increased funding for a number of key priorities. In the remainder of my brief summary remarks, I would like to highlight three of these key areas: sustainable infrastructure and two of our priority geographic areas, the Great Lakes and the Chesapeake Bay.

In terms of infrastructure investment, our Clean Water State Revolving Fund and Drinking Water State Revolving Fund provide affordable loans to local communities to finance public wastewater systems and other water quality projects, as well as drinking water systems in the case of the Drinking Water Fund. The fiscal year 2010 budget request includes \$2.4 billion for the Clean Water State Revolving Fund.

This critical infrastructure program will preserve and create jobs and fund approximately 1,000 clean water projects. The funds will also prioritize green infrastructure, water and energy efficiency, and environmentally innovative projects for State, local, and tribal governments. The budget also includes significant increases for tribes and United States territories to address their significant unmet water quality needs.

The budget also fully funds the cooperative agreements for the Water Security Initiative pilots, which will provide a proof of concept for enhancing the security of our water infrastructure. EPA will also work with State and local partners to develop a sustainability policy including management and pricing for future infrastructure funded through the State Revolving Funds to encourage

conservation and to provide adequate long term funding for future capital needs.

For the Great Lakes, we know that this valuable aquatic resource provides drinking water, food, recreation, and transportation to about 25 million Americans. The fiscal year 2010 President's budget request provides \$475 million for the Great Lakes Restoration Initiative, a coordinated multi-agency effort which focuses on critical challenges including toxic substances, invasive species, near shore health, nonpoint source pollution, habitat and wildlife protection, and restoration. EPA has worked closely with its Federal partners to target funding to the highest priority problems and opportunities in the Great Lakes and to ensure that there is increased collaboration, accountability, and transparency in our work.

The Chesapeake Bay Program, which is authorized by Section 117 of the Clean Water Act, is a collaborative regional partnership that has been working to restore the Bay since 1983. The President's \$35 million budget request will foster implementation of the Chesapeake Action Plan; advance efforts to reduce pollution from agriculture, development, wastewater, and air deposition; and support the EPA and States' work to develop the Nation's largest and most complex total maximum daily load for the entire Chesapeake Bay watershed. Additionally, the Chesapeake Bay Program will work closely with the rest of EPA and other Federal partners to implement the ambitious plans announced in the Chesapeake Bay Executive Order, which the President signed on May 12th.

In conclusion, EPA's Office of Water takes the responsibility of protecting and improving the Nation's waters very seriously. America's water is a public trust. The National Water Program is committed to innovative solutions that protect and improve the Nation's water quality, promote water efficiency, and ensure environmentally sustainable water and wastewater infrastructure. EPA looks forward to continuing our work with this Subcommittee and to accomplishing these important National Water Program goals. I will be happy to respond to your questions.

Ms. JOHNSON OF TEXAS. Thank you very much. Mr. Breen?

Mr. BREEN. Thank you, Madam Chairman. I am pleased to be here today to discuss the President's 2010 budget request. In particular, I will discuss Superfund, Brownfields, and other programs under the responsibility of the Office of Solid Waste and Emergency Response. With your permission, I will summarize it and offer the full testimony for the record.

The President's request of \$10.5 billion for 2010 to carry out EPA's mission represents a 37 percent increase over our 2009 budget and the highest level ever for the Agency, as you observed.

I am pleased to say that Brownfields cleanup and redevelopment is one of the Administration's environmental priorities. The 2010 budget request provides \$174.7 million for the Brownfields Program, a \$5 million increase from our 2009 enacted level. That includes \$87 million for Brownfields program assessment, cleanup, revolving loan fund, and job training grants.

Turning to Superfund, we continue to protect human health and the environment by cleaning up uncontrolled hazardous waste sites and conducting actions to mitigate immediate threats to human

health. The President's budget provides \$1.3 billion for the Superfund program and it maintains Superfund's remedial cleanup program at essentially the same level as the 2009 enacted level. In 2008, we obligated \$462 million of appropriated, State cost share, and potentially responsible party settlement resources to conduct cleanup construction and post construction work at Superfund sites. That included more than \$55 million to begin construction at 16 new Superfund projects at 15 National Priorities List sites.

Turning to homeland security, the 2010 budget requests \$53.5 million. With that money, we will continue to concentrate on key areas including laboratory capability and decontamination capability. It will help strengthen our responder base through training and exercise opportunities for our response support corps and incident management team volunteers as well as the base full time response workforce.

Turning to the oil program, our budget request provides \$18.4 million. The oil spill program focuses on preventing oil spills from occurring, reducing the hazard of exposure to people, and responding to spills when necessary. Together with the Coast Guard, we evaluate thousands of spills annually to determine if assistance is required. On average, we either manage the spill response or oversee the response efforts of private parties at about 250 to 300 oil spill sites per year.

Subject to your questions, that concludes my testimony. Thank you very much.

Ms. JOHNSON OF TEXAS. Thank you very much. Chief David White?

Mr. WHITE. Greetings, Madam Chairwoman. It is an honor to be here, Ranking Member and distinguished Members of the Subcommittee. This is a heck of a hearing room. It is quite impressive. I'm going to visit with you today about three programs and give you a little overview of what we have done with some Recovery Act money.

The first one is Watershed and Flood Prevention. That is essentially two statutes, one from 1944 and one from 1954. We have done about 2,000 watershed projects, the small ones that were mentioned earlier, across the Country and about 11,000 structures. If you look at the total amount of money since 1947—and I didn't normalize this number, this is just added up—about \$6 billion has been spent. For this investment, we get about \$1.5 billion a year in benefits, in flood control and various other things.

You are right, Madam Chairwoman. You mentioned it; the Ranking Member mentioned it. This is not proposed for funding in the 2010. For the last several years, this program has been almost completely or completely earmarked. The Agency has very little or no flexibility in this. I guess I would just simply echo the Ranking Member's words that sometimes priorities collide. This is one of those instances.

We do expect these projects to continue, many of them, because they do enjoy local support. I am sorry for the little handmade photos, but if you look at pages 16 and 17 on this, you are going to see some ring dikes. These were taken in the floodplain of the Red River Valley of the flooding this year. These are projects we can actually do with other programs to protect these farmsteads.

These are pure water quality projects because if that water gets in there, you have got chemicals, pesticides, fuel, and the wellhead for the producer. We can do those types of projects with other programs.

The second program is the Emergency Watershed Protection Program. This is cleanup; removing debris; stabilizing banks from tornadoes, hurricanes, ice storms, volcanoes, you name it. In 2008 you were very generous with us. In the two supplementals, we received \$490 million in EWP funding. We have about \$67 million left in that account. That number changes all the time as money is returned and more requests go out.

So the President's budget really doesn't propose to pre-fund this. We have \$67 million left. My judgement, barring some awful calamity, is that that should be adequate. If something terrible does happen, this Body has always responded for America regardless of where it occurs. And that would certainly be an option to fund it in the future.

The third program is Watershed Rehabilitation. This is a little concerning for me. These 11,000 structures, many of them were built 50 years ago with a design life of 50 years. Every day for the next 20 years, a watershed structure will reach the end of its useful life, every day for the next two decades. And we have got to fix these things. Things wear out. Metal rusts; concrete degrades.

We have had another problem with these, that what you have built in a cotton field in Georgia is now a subdivision outside Atlanta. And any time you have people build below one of these structures, it automatically becomes a high hazard structure. We have got to go in there and upgrade these things. That is done under this program as well. The President's budget does propose a small increase for that of \$40.2 million. I would mention that the 2008 Farm Bill put \$135 million in mandatory funds so we are hopeful of that.

The last item, in the Recovery Act we had \$340 million. This was at the Agency's discretion on how this was allocated. \$145 went to Watershed Operations. We were able to fund 81 projects in 26 States, and even one in the Northern Marianas, which I think will be great for the coral reef outside that island. With Watershed Rehabilitation we had \$50 million. We funded 27 projects in 11 States.

Then the last one was the Emergency Watershed Protection Program, which allows us to actually purchase floodplain easements. That is what the money was designated for. We did a nationwide sign-up and we were stunned with the response. We had \$145 million to distribute but we had more than \$1.4 billion in applications, 4,200 applications. Of that we were able to fund 289 recipients for the money we had available.

In that program, there are four Members of the Subcommittee who have projects. I think only one of them is here, Mr. Griffith. Three floodplain easement projects were funded in his district. There are a couple of photos in here that kind of show them. There is one graphic one from Ohio that shows five or six houses right below a dam that will be relocated.

I have expired or nearly expired my time. I appreciate your time.
Ms. JOHNSON OF TEXAS. Thank you very much.

Administrator Collister Johnson, Jr.?

Mr. COLLISTER JOHNSON. Good morning, Madam Chair and Members of the Committee. Thank you for having us here today to talk about the 2010 budget requests. With your permission, I will submit my written statement for inclusion in the record and simply talk to some of the points in that written statement.

I am very pleased, Madam Chair, that you alluded to the economic importance of the Seaway to the economy of the Midwest. It serves a vital role. It impacts 150,000 jobs and \$4.3 billion worth of salary every year. It saves shippers about \$3.6 billion a year, costs that would otherwise be passed onto consumers. So given an area of the Country that we all recognize economically is going through great challenges, we think it is more important than ever that the Seaway do its job properly.

In order to do that job properly, we need to renew the assets that make up the Seaway. The Seaway was built 50 years ago. There really hasn't been an asset renewal program that will assure that it does its job and stays open, and there will not be a catastrophic failure. So we were very pleased last year when the Bush Administration included for the first time an 83 percent increase in our budget for asset renewal.

We were very pleased that the President has decided to continue that program in this budget. We believe that if we can continue that over the next 10 years—there are 65 projects that we want to fund—that we will have a Seaway that will be able to serve the Country for the next 50 years as it has in the past.

This year also we are very hopeful that we will have some reforms passed that will allow maritime to be used more as a means of relieving congestion from road and rail. Harbor maintenance tax reform is essential for that. That serves as a real barrier to utilization of maritime. Congressman McHugh sponsored a bill, H.R. 528, that would reform harbor maintenance tax. There are many co-sponsors. Of course, Congressman McHugh has now moved on to become Secretary of the Army so we will have to reintroduce that, but we are confident that we will get the support necessary to do that.

Then I would also like to allude a little bit to the role that we play in terms of environmental protection for the Great Lakes that Congressman Ehlers talked about. It is the only waterway in the United States where every ship coming in has to go through a checkpoint, which is where we do inspections in Montreal.

For the first time in the history of the Seaway, we now have a set of regulations that requires salt water flushing for all of the ballast tanks that come into the Seaway. Science tells us that salt-water flushing is very, very effective in terms of killing the fresh-water organisms that otherwise could live in the Great Lakes. Also this last year we had 100 percent inspection of every ship so there is no more uninspected, untreated ballast water coming into the Great Lakes. We think this is going to have a very positive impact in terms of decreasing the rate of introduction of invasive species.

Finally, I would be remiss if I didn't point out that this year is the 50th anniversary of the Seaway. It was opened in 1959. We are going to have a celebration of that in upstate New York in the middle of July. Obviously anyone who has an interest in joining us for

that celebration, we would be more than happy to have them. Thank you, Madam Chair.

Ms. JOHNSON OF TEXAS. Thank you very much.

Mr. Dunnigan?

Mr. DUNNIGAN. Thank you, Madam Chair. Good morning. It is a pleasure to be here on behalf of the 12,000 women and men of NOAA who provide science, service, and stewardship to the Country every day. I am Jack Dunnigan. I am NOAA's Assistant Administrator for Oceans and Coasts and the Director of the National Ocean Service. At NOAA we work to protect the lives and livelihoods of Americans and to provide products and services to the benefit of our economy, our environment, and the public safety of the Nation.

What I would like to do this morning is to highlight some of the programs that help fulfill our responsibilities for understanding, protecting, and restoring coastal and marine resources. I would like to ask that my full written statement be included in the record, Madam Chair. And if it is okay, I will just summarize some of the high points. I would like to begin by talking about some of the recent things that we have done in 2008 that we think are of interest.

NOAA in many ways is about weather and hurricanes, and we had two major hurricane events to respond to in the Gulf of Mexico in 2008, Hurricanes Gustav and Ike. NOAA responds immediately as soon as a storm has passed by providing aerial images to aid emergency responders, by surveying waterways so that we can open those from obstructions, and by providing real time storm data for nautical charting and recovery.

We also respond to oil spills. In 2008 we got to deal with both the Cosco Busan oil spill in San Francisco Bay as well as the New Orleans barge collision of DM932 on the Mississippi River. In those cases we did our hard work to provide trajectory predictions, to prioritize cleanup and restoration activities, to do injury assessments, and to initiate restoration planning.

We do a lot of work in the area of marine debris. In 2008 we developed and implemented partnerships to turn derelict fishing gear into energy on the East Coast, building on a program that we had started in Hawaii. We estimate that every one ton of fishing nets that are processed can generate enough electricity to power a home for almost a month. So there is a real opportunity here.

We reported last year on a couple of major, intense harmful algal bloom events on the eastern Florida coast off the Florida panhandle and in the coastal regions of Alabama and Mississippi. We worked last year to help reduce the impacts of invasive species by improving the understanding of ballast water management practices on ships and by integrating our National Benthic Inventory website with the U.S. Geological Survey's Nonindigenous Aquatic Species Database.

We continue to work with our transportation support information systems, especially our PORTS program that provides real time information to vessel operators moving in and out of the ports of this Country so that they can know with a lot of accuracy exactly how much water they have underneath the keel and how much clearance they have underneath that bridge that is right up ahead.

Looking towards the 2010 budget request, there are some very interesting things in there that I think the Committee will want to look at:

We have an increase requested of \$1.4 million for our oil spill program so that we can do some further modeling to develop a three dimensional oil spill model that can be used both by the responding agencies and for recovery.

We are seeking an additional amount of \$2.7 million in our harmful algal bloom forecasts so that we can create a national system. Right now, most of our efforts are focused in the eastern Gulf of Mexico. We would also like to work towards developing a national HAB event response capability.

Our invasive species program is not seeking an increase in the President's budget this year but we will continue to work hard in this area. There is about \$2.7 million in there. We intend this year to be preventing and controlling ballast water, and modeling the effects of invasive species food webs in the Great Lakes. And yes, at NOAA we do recognize that the Great Lakes are oceans, too. We would also like to proactively assess and manage threats that are brought on by invasive species.

We need an additional \$1.2 million in the President's budget to focus on increasing our hydrographic surveys. We have high priority hydrographic survey needs around the Country. We work hard, both with our own assets and with the private sector, to fill out and get the information that mariners need so that they can operate safely in our waters.

In conclusion, Madam Chair, NOAA has made great progress, we think, to address our mandates and fulfill our missions over the last year. These efforts will continue in 2009. We ask the Committee to support the President's 2010 budget request for NOAA's programs where we provide products and services that benefit the economy, the environment, and the public safety of our Nation. Thank you very much, Madam Chair.

Ms. JOHNSON OF TEXAS. Thank you very much.

Mr. John Thomas?

Mr. THOMAS. Thank you, Madam Chairwoman Johnson, Ranking Member Boozman, and Members of the Committee. It is an honor to come before you to discuss the budget of the Tennessee Valley Authority. On behalf of TVA, we appreciate the oversight and support provided by this Committee.

As a corporate Federal agency, TVA is financially self supporting through its operations as the Nation's largest public power provider. In accordance with the direction of Congress, TVA pays its own way by using proceeds from power sales to pay wages, maintain assets, service debt, and fund stewardship and economic development activities.

TVA's mission is carried out in three areas: energy, environment, and economic development. TVA provides electricity for about nine million people through wholesale contracts with 158 local utilities. TVA also sell power directly to about 60 large industries and Federal installations. Our stewardship responsibilities include the integrated management of the Tennessee River for flood control, commercial navigation, water quality, and recreation.

We are in the process of finalizing our budget for fiscal year 2010. The proposed budget at this time assumes revenue of \$13.6 billion from the sale of electricity, operating expenses of \$11.3 billion, and capital expenditures of \$2.2 billion. The \$2.2 billion in capital expenditures includes \$223 million for clean air projects and about \$1.4 billion for new generating projects including the construction of a second reactor at Watts Bar Nuclear Plant in Spring City, Tennessee. TVA's outstanding debt and debt-like obligations are estimated to be \$24.9 billion at the end of 2010, an increase of \$32 million from the previous year.

As you know, a large coal ash storage facility failed last December 22nd at the Kingston Fossil Plant, about 40 miles west of Knoxville. We are making steady progress in the cleanup and recovery. We continue to coordinate closely with the U.S. Environmental Protection Agency, the Tennessee Department of Environment and Conservation, and other State and local officials. All work plans and schedules are being submitted to EPA for independent review and approval.

Ongoing environmental sampling shows that air quality and drinking water continue to meet State and Federal standards. An independent engineering firm was retained to determine the root cause and we expect the results later this summer. To address any concerns about public health, TVA is contracting with Oak Ridge Associated Universities to provide the community with access to medical and toxicology experts who have knowledge and experience with the ash materials. All work is proceeding as quickly and safely as possible to fulfill TVA's commitment to fully recover the area and do the right thing for the community. We estimate the recovery will cost between \$675 million and \$975 million, excluding regulatory and litigation costs.

In addition to the Kingston recovery, TVA is working to meet some significant financial and operational challenges. Like many other areas in our Nation, the Valley is experiencing a downturn in industrial activity, which is impacting power sales. The budget plan adopted last fall assumed that power sales would be flat this year due to the onset of the recession. Now we expect sales to be down from 6 to 8 percent, or about \$500 million in revenue.

On the plus side, we are seeing relief through declining prices for fuel oil and natural gas. As a result, virtually all of the 17 percent rate increase enacted last October through TVA's fuel cost adjustment has been rescinded. We are also seeing relief from record drought conditions which have impacted the area for the past three years. We expect TVA's reservoirs to reach their normal summer levels for the first time since 2005.

Looking ahead, TVA is working to obtain over 50 percent of its generation from clean and renewable energy resources by 2020. Currently, we are evaluating proposals for up to 2,000 megawatts of renewable energy and we are increasing our energy efficiency program with the goal of avoiding 1,400 megawatts in peak demand growth by 2012.

The Tennessee Valley remains a great place to work and live. Earlier this year two major manufacturers of solar energy materials announced plans to build \$1 billion plants in Tennessee. The plants together will create about 1,500 jobs.

In conclusion, we look forward to keeping this Committee, Congress, the Administration, and the people of the Tennessee Valley informed of our progress. Thank you, Madam Chairwoman. I would be pleased to answer any questions that you have.

Ms. JOHNSON OF TEXAS. Thank you very much.

We are going to begin our first round of questions with Dr. Ehlers.

Mr. EHLERS. Thank you, Madam Chair. I will concentrate my questions on the Great Lakes Restoration Initiative and other Great Lakes activities. I apologize to the others who don't get asked questions, but you can just relax for a few minutes.

I am curious how the Great Lakes Restoration Initiative will be administered. Mr. Shapiro, can you clarify that for me, please?

Mr. SHAPIRO. Yes, Congressman Ehlers. Resources that have been proposed by the President will be administered through the Environmental Protection Agency. But as part of our proposal to Congress, the EPA is requesting authority to transfer that money to other agencies who can play important and essential roles in helping to restore the Lakes. There is an existing framework, the Federal Interagency Taskforce, which is chaired by EPA.

There is also a corresponding regional working group which has representation from all of the Federal agencies that have been part of the multi-year collaborative effort to develop good science and to plan activities in collaboration with State, local, and tribal governments and non-governmental groups aimed towards restoring the Lakes.

The governance process, if you will, for the Federal funding really involves agencies collectively identifying the priority projects, both governmental and non-governmental, to address the concerns in the five areas that I mentioned in my opening remarks and then allocating the resources across the agencies. So it will be led by EPA but with an extensive effort to collaborate and work collectively with initially our Federal partners, but more importantly over time, the State, local, and tribal governments that have a major stake in the restoration of the Great Lakes.

Mr. EHLERS. Let me also just comment that I am very pleased that this is a bipartisan issue. As you know, President Bush issued the call for the Great Lakes Regional Collaborative a couple years ago and President Obama is now following up with that. Even going back further, when the Democrats controlled the House of Representatives a few years ago, Congressman Rahm Emanuel sponsored a bill on the Great Lakes and I cosponsored it. The following year the Republicans were in charge and I sponsored a bill, slightly different, and Congressman Emanuel was pleased to co-sponsor that. So we have had a good working relationship on this issue.

A comment for Mr. Breen, he commented several times about Superfund and activities there. On the Great Lakes Legacy Act, which has been in existence now for some six years or so, one refrain I have heard repeatedly from the OOSA [phonetic] community and the environmental community is that it was by far the most effective cleanup program ever developed by the Congress. That raises the question, if the Legacy Act has proved to be so efficient and cost effective, should we perhaps look at the Superfund and

ask why can't we run it the same way we ran the Legacy Act? Before I write legislation to do that, I would like your comments.

Mr. BREEN. Thank you, Congressman. Of course, the two have somewhat different purposes. An important purpose of the Superfund is to address uncontrolled hazardous waste sites. So we have our own scope that we need to pursue with sometimes different kinds of remedies. So it is not always a surface water and sediment remedy that you would find in a Great Lakes environment. Frequently it is a soil remedy, a groundwater remedy, and occasionally a sediment remedy. We do have some sediment sites. But I bet most of the sites are soil and groundwater sites. So there is a considerable difference in the kind of approach that is needed.

Mr. EHLERS. That is very true. But I think one of the big differences is that when we wrote the Legacy Act, we tried very deliberately to reduce the amount of time that lawyers could spend on each of the cases and put most of the money into direct action. Also, I think a big factor was the cost sharing between the Federal, State, and local governments which provided a great inducement for many of the actors to participate fully without dragging their feet. So you might just take a look at that. I am not saying there is a one to one correlation. But I think it is worth looking at that.

I see my red light is on. It is amazing how the clock runs so much faster on my time than on other people's times.

[Laughter.]

Mr. EHLERS. But I will yield back.

Ms. JOHNSON OF TEXAS. Thank you very much. Mr. Baird is recognized.

Mr. BAIRD. Thank you, Madam Chair. Mr. Dunnigan, I want to focus on your work. I am a big fan of NOAA. I appreciate all of the panelists here.

You, I think, absolutely appropriately identified some of the major concerns like harmful algal blooms and hypoxia. We have got these problems off our coast in the Northwest. It is a growing worldwide problem, especially the hypoxia and algal blooms.

There are two things that I don't think got a lot of attention in your testimony, and I wonder if you care to expand on them? One is ocean acidification. As you probably know, I think just two days ago, the National Academies of Science from I think over 60 nations focused on ocean acidification as a profound problem associated with CO₂ in the atmosphere. Also, I don't think there was a lot of discussion of overfishing both within our regional waters and worldwide. Can you talk about both of those issues a bit and how the budget reflects those issues?

Mr. DUNNIGAN. Yes, sir. Thank you and thank you for the kind words about NOAA.

For ocean acidification, I think there has been a major emphasis within NOAA over the last couple of years in looking at what we call long term climate change and what one Member I know likes to call lethal overwarming and ocean acidification. NOAA is basically a science agency. So that is what we have been trying to understand better, the long term transport mechanisms. We know and we have known for decades that the oceans are a carbon sink. As we increase the amount of carbon that is in the atmosphere,

how much of it ends up being taken up by the ocean and what are the long term concerns?

One of our concerns is the impact that that has on coral reefs because coral reefs around the world are endangered. Two weeks ago there was a major international commitment to the Coral Reef Triangle Initiative in Indonesia. The United States, although we are not one of the six countries, we have substantial presence in the central and western Pacific so we have a very strong interest in supporting those efforts.

So we do recognize the problems and the scientific issues that are associated with the need to address ocean acidification. That is a major part of our research programs as we continue to develop climate models. The Administration has said that they are in favor of developing a National Climate Service so that we can improve our ability to respond.

On overfishing, we recognize that there is a major problem with the need to address overfishing. Our new Undersecretary has engaged in this from the first day that she was on the program. The budget contains about another \$50 million of new money that would be used to develop management programs that would help to address overfishing around the Country, including some additional funding for the Regional Fishery Management Councils that help make the plans and the regulations. So we are committed to following through on those responsibilities. There are pieces in this budget that actively support that.

Mr. BAIRD. Great. I appreciate your attention to both of those issues. I have two just quick suggestions, if I may, for consideration. You may have heard me mention these before.

One, I hope we will consider the possible use of UAVs, unmanned aerial vehicles, to patrol our marine conservation areas. These vehicles can fly for 20 plus hours. They don't require landing strips. They don't require pilots except on the ground. I think in a number of areas—especially with some international law—a UAV could target a fishing vessel in restricted waters; take a photo of it; and then have something like the Civil Asset Forfeiture, which we do with drug dealers, to confiscate the boat; and then buy more UAVs.

I think this would be particularly useful in areas like our own marine conservation areas, which President Bush expanded last year. If you look at the Galapagos, if you look at south Florida, we have got major reserves off our coast in the Northwest that really we don't have enough patrol. I think that is a viable way, an economical way, and a safer way than having pilots out over these distant waters. I hope we can look at that.

The other thing is, as you know, I am a huge fan of Aquarius. It is a unique resource. I would encourage NOAA and our scientific agencies to consider sponsoring and supporting a worldwide establishment of Aquariuses for some of the other major ecosystems on earth. We have got one off Key Largo but I think there are many other areas with different ecosystems where we need that kind of sustained, long term tracking. So I hope NOAA will fully fund and add some money, not only to the Aquarius that is currently operational, but to actually begin an exploration of whether a few other Aquarius-type research stations could be made available elsewhere in our Country and the world.

With that, I yield back. I thank the Chair and thank our witnesses.

Ms. JOHNSON OF TEXAS. Thank you very much. The Chair now recognizes Mr. Brown.

Mr. BROWN. Thank you, Madam Chair.

Mr. Shapiro, at previous hearings witnesses have told us one of the reasons that we have a big infrastructure problem is that communities have not maintained the infrastructure and do not have a plan for replacement. If this is true, does EPA think it is reasonable to ask as a condition of getting financial assistance that we do not repeat this problem? What is EPA doing to ensure that communities are effectively managing their assets?

Mr. SHAPIRO. Thank you. You have identified a very important issue, one that EPA has been working hard to address through our sustainable infrastructure efforts. We have partnered with just about all the major organizations representing professionals in the water and wastewater communities to develop essentially a set of principles and actions that would characterize what we would consider to be well-managed utilities. Many of those address the issue of asset management: maintaining and inventorying your assets; making sure that you have got an appropriate process to identify when repair, rehabilitation, or replacement is necessary; as well as developing a sound financial program.

I think the question of whether a plan like that should be required in order to be able to get funding is one that we have not taken a position on. But certainly we have encouraged utilities at all levels to take those practices into account, to adopt asset management and environmental management systems as well as sound pricing strategies in order to maintain the future viability of the infrastructure.

We recognize that this has been a problem historically within the industry. We are seeing much greater acceptance now of these kinds of planning approaches and a much more professional approach to maintaining assets as a result of the work we have done as well as many of our partners, as I said, including all of the major professional organizations dealing in this area.

Mr. BROWN. Do we have any way of inventorying the projected backlogs of deficiencies in our infrastructure?

Mr. SHAPIRO. Well, we have our needs surveys, which are conducted separately for wastewater and drinking water facilities. Each of those surveys is conducted on a four year cycle. So we know, for example, that the identified needs for wastewater as of the last survey, which was conducted in 2004, were about \$202 billion worth of projected investment needs.

Now, for some of those the funding may have already been identified for it. So we didn't try in these surveys to identify what the unfunded portion of that might be. That is a total list of needs. On the drinking water side, it is over \$330 billion. So we have a pretty good handle on roughly a 20 year time horizon in each of those areas as to what the needs are, as can be best either identified or forecast by the utilities themselves through these surveys.

Mr. BROWN. Thank you very much. That is what I was concerned about, that there is a tremendous amount of need out there that

we are trying to meet. If we don't meet it, I think we are going to certainly, under a disaster portion of time, have to deal with it.

Mr. Breen, if I could ask you the next question. On the Superfund program, EPA proposed increasing spending for the Superfund program but the Agency says it will complete construction on fewer Superfund sites next year as compared to the previous years. Why would that be?

Mr. BREEN. Let me see if I can help by offering context, then an explanation, and then a little more context. The first context is that our construction completion projections have been lowered for 2009. The construction completion projection for 2009, we have lowered from 35 down to 20. We discovered this after we had submitted the 2009 budget. So we went ahead and, as part of the 2010 budget, wanted to make sure the Congressional Offices knew that we were projecting lower for 2009. For 2010, we are projecting 22 construction completions. So it is 20 for 2009 and 22 for 2010.

This is not the first time we have found ourselves in this situation. In the 2007 budget, we lowered the projection from 40 to 24 for much the same reasons. After the budget had been submitted, we discovered that we didn't think we were going to make the number we had originally projected. We didn't want to mislead anybody along the way by leaving a more optimistic number out there while the budget was being executed. So the lowering is not that we have actually done less at the moment. It is that we think we will end up doing less and we wanted to make sure everybody knew that.

If I have overshot my time, I better be careful about going any further.

Mr. BROWN. I thank you. My time has expired. But if you could just tell me very quickly, what percent do you think we have addressed now in our Superfund locations?

Mr. BREEN. We do have that number. Let me get it for you for the record in terms of the overall National Priorities List and the number that we have reached construction completion at. We have that number and I can get that to you.[Information follows:]

INSERT FOR RESPONSE TO REP. BROWN --

As of the end of Fiscal Year 2008, 1,587 sites had been listed on EPA's Superfund National Priorities List (NPL). Of those sites, 1,060 had achieved construction completion or approximately 67 percent of the sites listed on the NPL.

Mr. BROWN. Okay. Thank you very much. Thank you, Madam Chair.

Ms. JOHNSON OF TEXAS. Thank you. The Chair recognizes Mrs. Napolitano.

Mrs. NAPOLITANO. Thank you, Madam Chair.

I have several questions for Mr. Shapiro. Southern California for many years has been tapping into groundwater and alternative water sources. What role is EPA playing in supporting recycling, tertiary treatment—and now there is a fourth treatment, ultraviolet irradiation and others, to be able to clean it even better—desalination, and other alternative approaches to produce more usable water being that we do have climate change and that we do have drought and that we are trying to conserve and restore more?

Mr. SHAPIRO. Thank you for that question. EPA has played and can play a number of roles in dealing with issues of water reclamation and reuse as well as conservation.

We don't regulate water quantity directly. We can't require reuse, but we do have authorities that come to play. Certain of the kinds of activities that you referred to can access the Drinking Water Revolving Fund as a source of financing. We also, to the extent that reclaimed water is used to recharge aquifers, would regulate that activity under the Underground Injection Control Program.

We are very deeply interested in the issue of water conservation, of using less to begin with. We again don't have regulatory authority in that area but we think as part of a conscientious approach to managing infrastructure appropriately, water conservation should play a key role. So we have a voluntary partnership program, WaterSense, which encourages consumers to purchase water efficient products. It also partners with manufacturers to set specifications for products that meet high goals for water efficiency.

So in addition to being able to address the issues of reclamation and reuse, we think starting with conservation is a critically important first step.

Mrs. NAPOLITANO. You do mention the WaterSense program. What was the Administration's request for the WaterSense program?

Mr. SHAPIRO. The base budget for that is around \$2 million per year.

Mrs. NAPOLITANO. Is that sufficient?

Mr. SHAPIRO. Well, it certainly is sufficient to maintain the program at the level that we have right now. Obviously, we have ideas for new product categories and more ambitious goals. As resources become available, we will undertake additional activities. But it certainly meets our needs at the moment in terms of the level of the program.

Mrs. NAPOLITANO. Does that include any education to the public?

Mr. SHAPIRO. Yes. An important component of WaterSense is getting the message out to the public, both generally in terms of the importance of water conservation as well as making consumers aware that you can achieve water efficiency by making the right product choices. One of the things we do with our many partners is encourage them to use our communication materials as well as

our logos were appropriate in order to make the public aware of the opportunities that are available.

Mrs. NAPOLITANO. I am sorry. My time is running out and I have another question, Mr. Shapiro. It has to do with chlorine. It is a big issue because of the transportation and the safety hazard, especially transporting it on rail and truck. Do you feel the chemical industry can do more to produce a safer product?

Mr. SHAPIRO. Well, at this point the Water Office has done a lot of work on the issue of disinfection. There are alternatives that are currently available to communities. They don't all work equally well in different situations. So we have encouraged utilities to look closely at the choices they face and, where appropriate, to minimize the use of pure chlorine gas. There are other chlorine-related products that can also be used.

But at the end of the day, we feel it is important for water utilities to have the ability to weigh the options and make the choices that are protective for their communities and to accomplish their goal. At this point in time, it appears that there still is a need for the use of conventional chlorine treatment.

Mrs. NAPOLITANO. Is there any information that is given on a regular basis to the water agencies so they are aware of some of the new technologies that might be available to them?

Mr. SHAPIRO. We certainly share with them the information that we have concerning alternatives and the factors to consider in their use. We also share approaches to kind of optimizing their disinfection activities to minimize the need to use quantities of material. So we try to share information on a technical level as well as provide direct assistance in some cases.

Mrs. NAPOLITANO. Thank you, Madam Chair. I do have some other questions I will submit in writing. It has to do with quagga mussels.

Ms. JOHNSON OF TEXAS. Thank you very much. The Chair now recognizes Mrs. Candice Miller.

Mrs. MILLER. Thank you very much, Madam Chair. I appreciate the witnesses.

I certainly associate myself with some of the comments from my colleague from Michigan, Mr. Ehlers. He is on the west side of Michigan and I am on the southeast side of Michigan but we share a principle of advocacy for the protection of our magnificent Great Lakes. They contain 20 percent of the fresh water drinking supply of the entire world. Of course a big issue there in addition to water quality has been invasive species.

So Administrator Johnson, first of all congratulations on the 50th anniversary of the Saint Lawrence Seaway. That is a wonderful thing. It is amazing that has happened since all these years, or most of those years, at least two thirds of them, we have all been dealing with the experiences that we have had and the negative impact of invasive species. So when you said that there is—now, I wrote this down—100 percent inspection, no more uninspected ballast water coming into the Great Lakes, I thought I was going to get up here and do a little jig. That is a fantastic statement to hear.

If you could, perhaps just flesh that out for me. What is your experience with that? Now, I know you have several hundred salties

that come into the Great Lakes. As they enter in through the Saint Lawrence Seaway, if you are doing that kind of inspection, could you sort of help me understand the mechanics of that?

Mr. COLLISTER JOHNSON. Sure. Thank you for the question. We instituted something called an enhanced inspection process in Montreal for all ships coming into the Great Lakes. Obviously, most of them are salties. That consists of Transport Canada, us, the Canadian Management Corporation, and the U.S. Coast Guard.

So the notion is that until there is a national standard for ballast water, until there is technology for ballast water treatment, we have to do what we can to protect the Great Lakes. It has been shown in the sciences that flushing ballast tanks, be they tanks with water in them or not, with salt water really does a very effective job of killing the fresh water organisms that would live in the Great Lakes.

So every ship coming in needs to flush its tanks out in the open ocean with full salt water. When they do come in, they are inspected to make sure that that is done. There was a compliance rate last year of 97.8 percent. Of the ones that didn't comply, those tanks are sealed. They go in the Great Lakes, they come back out, and they are inspected again to see that the seal hasn't been broken.

So we really think this is an effective program, pending further technology that will treat ballast water.

Mrs. MILLER. Do you think it is having much of an impact?

Mr. COLLISTER JOHNSON. Yes, I do.

Mrs. MILLER. I mean on slowing down the commerce?

Mr. COLLISTER JOHNSON. Yes, I do. I mean, in a perfect world, Congresswoman, this would have been done many years ago. But we can't do anything about the past. We have to do something about the future. The recent science has shown, although it is too early to tell, but since 2006 there has been a noticeable drop in the rate of introduction of invasive species. I am just very hopeful that that is going to continue and we can prove that down the road.

Mrs. MILLER. Well, hats off to everybody that is involved in that program. We have to get our Coast Guard reauthorization in the ballast water programs through legislation through the Congress, certainly. But in the interim, to hear those kinds of numbers and what is happening is just fantastic, fantastic news. So hats off.

Mr. COLLISTER JOHNSON. Thank you very much.

Mrs. MILLER. I have got about a minute left, so I have a quick question for Mr. Shapiro. I was writing down some notes as you were speaking as well about sustainable infrastructure investment in the Great Lakes. You have \$2.4 billion in the State Revolving Fund and 1,000 Clean Water projects. You know, in southeast Michigan the unfortunate, dubious distinction that we have in the city of Detroit—the sewage treatment and water—but the sewage treatment plant for the city of Detroit is probably the worst offender in the Great Lakes basin because of the huge network. It services several million people.

We would like to do a better job but for all kinds of reasons, not the least of which is GM declaring bankruptcy this week, have not been able to. You cannot believe how bad it is getting in Michigan. I do think that our unemployment rate is going to be in Depression

era numbers probably by September for the State. It is unbelievable what is happening there. Yet we want to clean up the Great Lakes. Can you talk a little bit about perhaps how some of the funding that you are looking at could be targeted towards the worst offender in the Great Lakes basin that wants to be an active participant in cleaning up our Great Lakes?

Mr. SHAPIRO. Well, the funding that was proposed for the Great Lakes Restoration Initiative is specifically for non-infrastructure activities. So given the problem you described and the needs for Detroit, that money would not be directly available for projects that involved hard infrastructure or improvements to the treatment plant and the sewer systems directly. Clearly, the increase in funding for the Clean Water Act Revolving Fund as well as the Recovery Act funding, which also included a \$4 billion pot of money for supporting clean water infrastructure, are possible sources of funding.

But that said, I recognize that as that pot of money gets allocated across States using the formulas that we use, which are in our statute, the amount of money available to any one State is often not large compared to the kinds of needs that a large metropolitan area would have, which might be in the millions if not billions of dollars. So we recognize that it is at best a partial answer in many cases.

Mrs. MILLER. Thank you. Thank you, Madam Chairwoman.

Ms. JOHNSON OF TEXAS. Thank you very much.

The Chair now recognizes Ms. Edwards.

Ms. EDWARDS. Thank you, Madam Chairwoman. Thank you all for your testimony. I just have a couple of questions for Mr. Shapiro. Obviously, from the State of Maryland, greatly in regard to what we are doing around the Chesapeake Bay but also looking at green infrastructure in our State and around the Country, I was curious to see that in the President's budget his request includes legislative language extending a 20 percent reserve for green infrastructure projects or projects that propose water or energy efficient improvements to wastewater treatment projects. This is something I very strongly support and that Members of this Subcommittee have also.

But I have gotten information from Maryland that the total amount requested from the Recovery Act green reserve was approximately \$150 million. Yet the State is only required to set aside \$24.3 million of the Recovery Act allocation. It is my understanding also that there are other States that are experiencing exactly this same situation with more requests from green reserve than the dedicated funding.

So I wonder in your review of the implementation of the Recovery Act whether this is your understanding. Also, since there seems to be such demand for green infrastructure might we want to consider more than simply a 20 percent reserve in the budget to accommodate the need for things that obviously would be energy efficient in the long run?

Mr. SHAPIRO. Thank you, Congresswoman. I think this is a very good question. I think, frankly, the reason for the 20 percent set aside in the Recovery Act, which we carried forward into the 2010 budget, was to provide a hard floor and not a ceiling. There was

some fear on the part of folks that because of the historic patterns of funding, and because of the relative newness of green infrastructure and some of the innovative energy efficient technologies, that there might be a reluctance—especially given in the case of the Recovery Act the need to get money to work quickly—there might be a reluctance on the part of States to go down that path, they might in fact kind of under fund green infrastructure. So the 20 percent is in there as a floor, as I said. It is a good thing, to me anyway, that States are getting more requests above the 20 percent level.

I think the question of whether to raise the floor is a tough one because there are many very important needs that States have in terms of funding infrastructure. We want them to take a hard look at where they will get the greatest results in terms of water quality, sustainability, and long term energy and water efficiency. It becomes a hard thing to kind of dictate precise percentages to States.

So for the purpose of this budget, and again we will see how things work out as projects get funded and completed, but we are comfortable with the 20 percent floor. But I think as you go higher, you may be beginning to impact some other non-green infrastructure projects that are also critically important to achieving water quality goals.

So that is a balance that States, I think, are in a position to make. But in general it is good news that they are embracing the idea of green infrastructure.

Ms. EDWARDS. It is. I would just urge you that although it is a floor, the States seem to be treating it almost as a ceiling. So we might want to consider ways that we actually could encourage more of that investment without imposing it on some other States.

Just in my time remaining, we have had the TVA before of us a number of times, and I am curious about your purchase of energy and renewable energies. I wonder if you have thought about or considered—and this is completely speculative—a fee and tariff program so that you could, for example, encourage the development of solar. In a very decentralized way, if homeowners or communities implemented solar and they had extra, could you buy it from them and put it out on a grid? Can you just give me some thoughts about that?

Mr. THOMAS. I can. Thank you very much for the question. We have a couple of things going on. One is that we do currently have a program where we offer consumers the opportunity to essentially pay extra to fund green power types of initiatives. That is a program that is in place. We also have committed \$192 million in our current budget submission to promote other energy efficiency programs similar to that in design such that they would encourage people to conserve energy as well as promote other, more efficient energy uses.

Ms. EDWARDS. Thank you. My time is expired. I would only conclude by saying one could look at these kinds of programs, if we were really creative about it, as reducing our need to further develop nuclear capabilities. Thank you.

Ms. JOHNSON OF TEXAS. Thank you. The Chair now recognizes Mr. Duncan.

Mr. DUNCAN. Thank you, Madam Chairwoman. I am sorry I had to speak on the Floor and didn't get to hear everyone's statements.

But I do have a couple of questions or comments for Mr. Thomas with TVA.

Mr. Thomas, when I got here in the very late 1980s, at that time TVA was spending 34 cents of every dollar servicing its debt. I thought it was shameful that the leadership of TVA in the late 1970s and 1980s had gotten TVA into such heavy debt. I did write the Federal Financing Bank and we worked out an agreement to restructure some of that debt at a lower rate.

But I am wondering about the debt that you have now. While you have brought it down some, it is still a tremendous debt. What percentage of TVA's expenses is going to service its debt now? Do you have most of that debt into long term debt that won't be affected that much if the interest rates shoot way up like some people are predicting?

Mr. THOMAS. Yes, sir. Thank you very much for the question. TVA's current debt is \$24.9 billion. To service that, we spend approximately \$1.4 billion in interest each year. That is about 10 percent of our total operating budget. So we are, in conjunction with the Board, adopting a strategic plan. In 2007, we committed to paying down the debt that was associated with the existing assets we have over the life of those assets. So we are including that in our budget plans. As well, most of our debt is termed out in long term bonds and are not subject to the volatility of interest rates.

Mr. DUNCAN. All right, good. Now, the main thing I want to mention is this coal ash spill. It didn't occur in my district but it was close. So I went down and had a briefing and a helicopter tour and everything several months ago. This spill that you had, it was five and a half months ago now, what I saw at that time was a war room of people. There must have been even at that time hundreds of people from every conceivable Federal, State, and local agency. There were people from all over the Country working to clean up that spill. It seemed to me that everything humanly possible was being done.

The reports have almost all been very, very good, although it is very expensive. I have seen articles about \$1 million a day or something like that. But I see in this briefing we have got, in the most recent submission dated May 1, it acknowledges that the total estimated cleanup costs for the Kingston site range between \$675 million and approximately \$975 million. But here is really what concerns me: This estimate does not include the potential costs for additional regulatory actions, litigation, fines, or penalties that may be assessed against or settled by TVA.

I have noticed that we have had law firms and people coming in from New York, California, and all over the Country. We have a lot of people apparently with dollar signs in their eyes who want to make money off of this. As I have said, you have already had all these people from all these agencies plus private contractors working on this. And now EPA is overseeing this cleanup.

What I am hopeful is that the EPA and TVA will keep in mind that already we are told, because of the Energy Bill going through the Congress, that people's utility bills are going to go way up. Now, if we get into just tremendous costs in regulatory fines, litigation, assessments, and settlements, it is going to hurt a lot of poor and lower income people in my area. Because while everyone wants

to see the people whose property was affected made whole and cleaned up as much as possible, 99.999 percent of the people I represent or maybe 100 percent of the people I represent weren't affected by this spill. I don't want to see their utility bills go way up because of the Energy Bill that is going through the Congress now and TVA's expenditures.

So I hope that you will do everything you can and encourage the other leadership of TVA to not just come in and make ridiculous settlements because the money is not coming out of your pockets. I hope that the EPA will keep in mind that there are a lot of people who are already having trouble paying these utility bills. I hope that we won't just let these costs just explode even more. It is already at a ridiculous level, in my opinion. Thank you very much.

Ms. JOHNSON OF TEXAS. Thank you very much.

Mr. Hare, you are recognized.

Mr. HARE. Thank you, Madam Chairman. I just have a couple questions for Mr. Breen. What is the current number of Federal facilities that are listed on the Superfund's National Priorities List?

Mr. BREEN. I don't have the number directly in front of me. It is quite a few. It is probably, I am guessing, 100 to 150. It is in that ballpark.

Mr. HARE. Of that number, EPA has established the goal by the end of this fiscal year that all of the sites will have interagency agreements with the EPA for the orderly cleanup of the facilities. What percentage of the current Federal facilities do not have interagency agreements?

Mr. BREEN. I don't know the percentage. I believe we are down to about 10 that don't have signed interagency agreements. But we can get you that number precisely.

Mr. HARE. Thank you. I would appreciate that. Mr. Breen, in the past the EPA has identified the so-called Superfund pipeline which identified the number of proposed and listed toxic sites and where these sites were in the investigation, study, or construction process. My last question is can you provide the Subcommittee with a current pipeline for both Federal facilities and non-Federal facilities?

Mr. BREEN. You want the number of sites at their stages in the pipeline?

Mr. HARE. Yes.

Mr. BREEN. Yes, we can.

Mr. HARE. Thank you. I would appreciate that.

I just have one other brief comment before I leave. Mr. White, I am only in my second term but I have to tell you that your enthusiasm when you testified for your Agency, you know, they are awful lucky to have you. We have a great panel here, but I just wanted to let you know that I could tell you have a genuine love of what you do. I appreciate that. I don't know if you had anything else you wanted to add because you only had five minutes, but I have three minutes and 14 seconds.

[Laughter.]

Mr. WHITE. God bless you, sir. I was kind of feeling like the guy that never gets picked for the team.

Mr. HARE. That happened to me a lot in grade school, let me tell you.

Mr. WHITE. Actually, I misspoke earlier. Two of those floodplain easements were in your district. There were two Democrats and two Republicans on this Subcommittee with about equal amounts of money on those floodplain easements.

I want to thank you. I am a career person. I spent 30 years with this Agency and I am going to flat slap guarantee that everything we can do that is honest and ethical and transparent and fair to conserve this Nation's resources, we are going to do. And you can flat slap take that to the bank.

Mr. HARE. Well, I represent a district that has 237 miles of the Mississippi River and seven locks. We have had some tremendous flooding there and a lot of devastation. I was just in a community called Gulfport that had a population of 250. It currently has 10. They are trying to certify the levee; they don't know what they are going to do. There are just a number of things that when you see—and you mentioned, I think you talked about agriculture in your remarks—you see that when some people say these are just agricultural levees, well, behind that levee is a farmer who has spent hundreds of thousands of dollars on equipment and land and all those kinds of things.

So they can't plant for a year or perhaps two. I have talked to some of these farmers and they are wonderful people, but you just see the devastation that they have gone through. It breaks your heart. I toured that town the other day and there isn't anything left of it because of the breaches.

So I appreciate everything. I looked at your pictures and I have to tell you, it is nice to see that work is being done and that people can actually be saved. I appreciate what you folks do.

Mr. WHITE. Thank you, sir. We are more the mom and pop operation. The Corps are the big guys on this block.

Mr. HARE. Right. Well, thank you, Chief. I yield back.

Ms. JOHNSON OF TEXAS. Thank you very much.

Mr. Cao?

Mr. CAO. Thank you, Madam Chair.

My first question is addressed to Mr. White. I represent the second Congressional district of Louisiana which was devastated by Katrina, so one of my main issues is coastal restoration. My question to you has two parts. The first part is, how are you working with the Army Corps of Engineers in order to address the issue of coastal restoration? The second part is, how can the money that you all receive through the stimulus package be used to restore the coast, especially along the Gulf Coast areas?

Mr. WHITE. Thank you, sir. I should mention that I was in New Orleans a couple of months ago and they took me around to the 9th Ward and various places. It is really shocking the way things are yet today.

My Agency, through the Emergency Watershed Protection Program, worked hand in glove with FEMA and mostly with the Corps for debris removal. You all appropriated millions and millions of dollars for us. Most of that work is now done.

We don't have any stimulus money specifically for coastal restoration but we are talking to some of the parishes down there. Is there a parish outside there called Burgemanns?

Mr. CAO. Plaquemines.

Mr. WHITE. Plaquemines. They have a proposal to actually look at taking some of the easement funds we have and some of the Restoration funds and instead of making a hard, fast seawall to actually try to put back the softer, gentler nature's way with long leaf pines and native grasses that would absorb the impact of the flow. I was really intrigued by their proposal. I hopefully will get to visit with them more on that, sir.

Mr. CAO. Thank you very much.

My second question is directed to Mr. Breen. It deals with Superfund, Brownfields, and land revitalization programs. New Orleans pretty much has a lot of contaminated areas. One of the main locations that I am concerned with is called Gurtown. There, in the predominantly African American community, the children are playing on top of a playground that is located in land that is contaminated. How do you prioritize with respect to providing grant money to clean up these locations?

Mr. BREEN. Thank you. So there is a Superfund program and a Brownfields program. They each have separate processes. The Superfund program uses the National Priorities List primarily for funding long term remedial action, that is the kind of action that would take a substantial length of time to manage.

On the Brownfields side, that is the more lightly contaminated sites. The grant process there is one with a national competition. Applicants submit typically once a year and we run a process. I expect we will be getting the next process out in the next few months. Then there is a panel that evaluates the applications by looking at a number of factors. But the kinds of factors you identified, particularly great need and an opportunity for revitalization, would be strong factors in that competition.

Mr. CAO. Okay. Thank you very much.

My last question is directed to Mr. Dunnigan. Louisiana probably produces close to a third of the Nation's seafood. We have a problem with the dead zone at the mouth of the Mississippi. I would like to know what plans you have in addressing the issue of the dead zone.

Mr. DUNNIGAN. Yes, thank you very much. There has been an interagency effort underway for the last four years that is led by the EPA to deal with the hypoxia problem in the Gulf of Mexico. The NOAA role in addressing that is to help provide the science. So what we have been able to identify is that the nutrients that are coming down the Mississippi River that are ultimately causing that dead zone are really a function of water runoff associated with agriculture. So the question for all of us in the Federal Government is to figure out ways of dealing with the agriculture industry in a way that can be responsible so that they can do good practices that will alleviate the problem.

On a continuing basis, we fund year to year monitoring of the size of the dead zone. Dr. Nancy Rabalais from Louisiana State University is the person that runs that program for us. I was talking to her last week and they are getting ready to go to sea again later this month to begin their annual studies. So our role on that is to help with the science and to collaborate with EPA, the Corps, the Agriculture Department, and other Federal agencies as well as the States.

Mr. CAO. Thank you very much.

Ms. JOHNSON OF TEXAS. Thank you very much.

Ms. Hirono?

Ms. HIRONO. Thank you, Madam Chair. I am very supportive of this historic increase in funding for EPA, particularly the Clean Water SRF and the Drinking Water SRF because those of course will be very much useful to the State of Hawaii.

However, I do have one concern. That is the non-funding for the Watershed and Flood Prevention Operations Program. Mr. White, you testified that most of this money has been earmarked, some \$24 million, which leads me to think that perhaps we should actually add funding so that your Agency can also prioritize projects. That is kind of a rhetorical comment.

Before I get to my question for you, Mr. White, though, I wanted to set the stage. Agriculture in Hawaii in the most recent past really consisted of huge plantations growing sugar cane and pineapple. We are down now to basically one sugar plantation. You can imagine when these plantations closed the huge economic displacement that occurred in dozens of communities. Thousands of acres became available for other uses and clearly we are not going to put development on or pave over all of these acres. So what Hawaii is moving toward is diversified agriculture.

In order to do that, they need water. The sugar plantations relied on pretty extensive irrigation systems in order to run their plantations. These systems are the major sources of water for diversified agriculture in Hawaii. I also note that Hawaii is one of those States where we have to pretty much ship in some 80 percent of our food. We can't truck in our food; we can't rail in our food. So we are very dependent and therefore very interested in becoming much more food self sufficient.

So we do access this program that you have zeroed out for maintaining our irrigation systems. I note in your testimony that you anticipate that unfinished projects will continue to receive local support. But that is just it. There is not enough local money. It takes millions of dollars to maintain these vast water systems. So if you have some other program that we could access instead of the Watershed and Flood Prevention Operations Program, I would like to hear that. Otherwise, I would hope that we could reconsider zeroing out this program.

Mr. WHITE. If I would have known what company made Roloids, I would have bought stock in them last week because this is the one question that I have been fearing until the Ranking Member gave me the perfect answer. Sometimes priorities collide. You certainly do have that option to reconsider.

I am well aware that Hawaii does make use of earmarking these programs. It primarily is for irrigation systems to ensure that your farmers have an adequate water supply. You have some interesting land ownership patterns there and a lot of people will not actually qualify for some of the hard core agriculture programs because of their income restrictions. Also, we are very concerned about the coral reefs off the coast. Coral reefs are one tenth of 1 percent of the ocean but they provide habitat and life for 25 percent of the life in the ocean. So it is absolutely critical.

You have a vote and you have a Chairwoman or Ranking Member. You can reconsider anything, ma'am.

Ms. HIRONO. Thank you. I am glad that you apparently have an awareness of some of the really unique situations and circumstances in Hawaii. One of the reasons that we are able to use this particular program for what we need is because it has flexibility. There are a lot of other Federal programs that do not meet the particular unique needs of Hawaii. But this is one that does and that is why I would appeal to not just you but also our Chair for continuing support of this program. Mahalo.

Ms. JOHNSON OF TEXAS. The Chair now recognizes Mr. Boozman.

Mr. BOOZMAN. Thank you, Madam Chair.

We appreciate you all being here. I appreciate you being such that we really, I think, have learned a lot today.

Let me ask you, Mr. Shapiro, just a couple of things and then I have a question for Mr. Dunnigan. Let me go ahead and ask that, Mr. Dunnigan, so you can think about it. We understand that in recent years NOAA has received appropriations to fund shipboard testing of ballast water treatment systems. Can you tell us the status of the testing and what the results you have gotten are as far as efficacy of the shipboard tested ballast water treatment systems?

Is NOAA required to submit a written report to Congress within 90 days of the completion of the testing? Have any reports been submitted to Congress? If not, perhaps you can send us some of the preliminary stuff that you have found.

Mr. Shapiro, we have all watched the bankruptcy of General Motors and Chrysler and things. We see the entwinement of markets overseas as a result of making things back and forth as far as parts and things like that. How have the Buy American provisions in the American Recovery and Reinvestment Act impacted EPA's ability to implement the Act?

Mr. SHAPIRO. Well, among the issues that we have had to deal with in terms of implementing the Recovery Act, I think we have probably spent more time and more debate on how to interpret and implement the Buy American provisions. It took a while for OMB to get its guidance out. They did in April and then we issued EPA specific guidance based on the OMB guidance. But because those types of provisions had not been applicable before to infrastructure and because the Recovery Act implemented a Buy American approach, it was different from some of the earlier Buy American legislative provisions that had been in place. It really charted some new ground for us.

We are at the point now where we have guidance out. We are continuing to get a large number of questions from municipalities as they go to bid or consider bids and encounter problems in certain product areas. And we are getting some concerns expressed by other countries, especially companies in Canada and in Mexico, who kind of view the market in North America as being a single market. So it has caused a lot of challenges. In the end, I think we will be able to get the projects done and awarded. But it has been a challenge for us.

Mr. BOOZMAN. I think that is something we really need to watch. I know you have got a limited waiver provision or whatever. But

that is something I think that you need to watch and let us help if we need to in the future.

Under the American Recovery and Reinvestment Act, not less than 20 percent of the funds that were appropriated for the Clean Water State Revolving Fund are to be used to address green infrastructure and water or energy efficiency improvements. Does EPA have a system set up to make sure that the proposals that you are receiving are effective? This technology is new. Some of it is real old and has been perhaps ineffective or hasn't been used in a while. This new stuff we don't really know. Do you have a rating system that you are using?

Mr. SHAPIRO. We don't have a rating system per se. Each of our regional offices will be reviewing the list of projects identified by States for the green infrastructure component more to make sure that they really are legitimate green infrastructure projects.

We think that the technologies in fact are out there. They are proven. Like with other technologies that municipalities have to choose from in dealing with wastewater issues, some prudence is advisable in terms of making sure the approaches that are being developed reflect sound engineering principles. We have a lot of guidance out there, as do other organizations, in terms of how to build things like green gardens and green roofs and other types of green infrastructure. So there is a wealth of very valid technical information available to municipalities and their consultants that will allow them to choose appropriately.

But we are taking a closer look at the green projects than we do typically in reviewing State use plans because we want to make sure that these really are valid projects that meet the intent of Congress's requirements.

Mr. BOOZMAN. Thank you.

Mr. DUNNIGAN, can you comment very quickly on the ballast issue.

Mr. DUNNIGAN. Yes, sir. I am going to have to get you a more complete answer to your question about the exact status of that project and any reporting requirements that we have for Congress. We are certainly willing and would love to have the opportunity to work with the Committee staff.

Our focus has been on the science of what happens when invasive species get loose in ecosystems and how they can be controlled. We also worked to help develop the type of approval certificate for a ballast water management system through the Intergovernmental Maritime Organization.

Mr. BOOZMAN. Good. That would be real helpful. I know the staffs on both sides would like that information. Thank you, Madam Chair.

Ms. JOHNSON OF TEXAS. Thank you very much.

Ms. Titus?

Ms. TITUS. Thank you, Madam Chair. I represent Nevada and much of the State is considered a national sacrifice zone. I am referring to the Nevada test site. So anything we can do to clean up other parts of the State is very helpful.

That is why I am glad to see you, Mr. Breen, say that Brownfields cleanup and redevelopment continues to be one of your top environmental priorities. The budget request, though, of \$175

million doesn't seem like very much for a national effort to clean up Brownfields. I wonder if that really is enough. You might elaborate on how you are able to leverage those dollars.

Also, I agree with you that one of the best ways to clean up the contaminated sites and address the blighted properties is to consider what the future uses of the land will be. I am especially interested in the whole concept of Brownfields to Brightfields that would link solar energy projects to former Brownfields. Would you comment on that and tell us what EPA plans to do? How much of a priority will that be and how much money might be going to that sort of thing?

Mr. BREEN. Yes, thank you very much. First on the Brownfields appropriation request, as you observed the 2010 appropriation request is approximately \$175 million. That is a little more than the 2009 enacted, I think about \$5 million more. But it does come on top of the Recovery Act appropriation to Brownfields, which is an extra \$100 million. So the 2009 to 2010 amount is really about \$450 million when looking at the two years; \$170 to \$175 million plus \$100 million is the ballpark.

Of course, Brownfields is not the only game in town. Federal funding is not the only source of funding. So thankfully many States have sibling programs that we work with. In fact, an important part of that \$175 million from the EPA is to directly fund State programs that then leverage private dollars and local dollars. So there is a lot of interest in exactly the kind of work that you observed.

Finally, the other Federal cleanup programs are doing similar tracks with other kinds of sites. So the Superfund program itself has hundreds of millions of dollars for the most contaminated sites and the RCRA Corrective Action Program cleans up typically ongoing facilities for chemical plants. So there is a lot of work on the land cleanup program.

On Brownfields to Brightfields, we are working on this. We are looking to collaborate with the Department of Energy's National Renewable Energy Lab, NREL, where we hope we can map all the contaminated facilities across the Country—at least those that have Federal involvement in them—and match that up with the renewable energy opportunities including solar, which you mentioned, but perhaps others as well. That way, these facilities could be turned from something where it is a community concern to a source of community pride.

Ms. TITUS. I think that would be great, solar especially in southern Nevada, as it provides a real opportunity. I know a number of years ago in the legislatures of Nevada I sponsored the State Brownfields bill. At that time, nobody knew much about it. It wasn't a very appealing name. It wasn't very sexy like other legislation. But I think it makes a big difference so I am very supportive of what you are doing there.

Ms. JOHNSON OF TEXAS. Mr. Perriello?

Mr. PERRIELLO. Thank you very much.

I have a question, Mr. Shapiro. My understanding is EPA is currently reviewing about 150 to 200 mountaintop removal permits. Of the ones reviewed so far, roughly 90 percent have been permitted.

Do you expect that percentage to remain in place with the remaining permits?

Mr. SHAPIRO. It is tough to predict. As you have indicated, we have started a review focusing on those that were furthest along in the process. As you indicated, a relatively small percentage have been identified for further review by the Agency and discussion with the Army Corps of Engineers and the permittees. As we go forward, it really depends on the mix of proposals that are present.

The kinds of considerations that weigh in our judgement when we decide to raise issues have to do with the scope and scale of the impact of the proposed mine, the sensitivity of the resources that might be impacted, and at least our initial assessment of the degree to which damages have been avoided to the maximum extent practicable.

So I think that although the evidence we have in the first 200 is sort of the best we have to project into the future, we can't guarantee. We are not shooting for a specific percentage. We are really shooting to identify those that are seriously problematic and to try to address them.

Mr. PERRIELLO. When you say that you are looking at the ones furthest along, do you mean that have done the most to look at potential impacts on the ecosystem and environment or simply furthest along in terms of investment and development?

Mr. SHAPIRO. Furthest along is in the Corps permitting process. I thank you for that question to allow me to clarify. What had happened is that because of some uncertainty involving lawsuits that were in play, there had been kind of a hold up in the backlog of permits that developed over time.

So in fairness to the permittees, we sort of focused early attention on those that were furthest along in terms of temporal readiness for permitting in the view of the Corps' process. Again, as we continue to work our way through that backlog, we will try to do that in a way that kind of respects the amount of time it has taken already to get the permit up to where it is.

Mr. PERRIELLO. Is there an issue at all with a lack of funding for oversight that creates a hindrance to your ability to review and suggest alternatives to some of these mountaintop removal situations around Appalachia in particular?

Mr. SHAPIRO. At this point I think we have, in my view, resources to do the job in front of us. Like anyone else, I think if we had more staff who were experienced in this area, it is possible that we could move faster. But I think we are able to juggle the resources that we have, again by focusing on those that are of the highest priority, getting the maximum results in terms of our investment of staff.

Mr. PERRIELLO. Thank you very much.

Ms. JOHNSON OF TEXAS. Thank you very much. Now I will finish the first round of questioning with a couple of questions.

Mr. Thomas, the Tennessee Valley Authority announced that it would complete its root cause analysis on the Kingston coal ash storage failure in June of 2009. But your oral testimony indicated it would be later this summer. When do you think there might be a specific date that this report will be completed?

Mr. THOMAS. Thank you for that question. I am sorry, we do believe that it will be sometime towards the end of June but at this point we just don't know the specific date. When I stated later this summer, it was intended that it would be June. But there is a likelihood that it could go further.

Ms. JOHNSON OF TEXAS. And you are planning to submit a report to this Committee?

Mr. THOMAS. Yes, ma'am.

Ms. JOHNSON OF TEXAS. Okay. Your estimate for the cleanup is between \$675 to \$975 million. Does this include the expected long term cleaning cost?

Mr. THOMAS. Yes, ma'am. That does include some allowance for what the long term remediation costs are. As we get further in to the reclamation activities, we will have a better understanding of what the long term estimates will be. But it does include some funding for that.

Ms. JOHNSON OF TEXAS. So this might not be the total? Do you think it will fall somewhere between \$675 and \$800 or would it be \$975? Or would it be beyond that?

Mr. THOMAS. We do not know that the final estimate will be. As we move through the work and uncover more activities, it could be more, or it could be that we can find more cost effective ways as well. But this is our current estimate. I do believe that it would be subject to change over time as we have more information.

Ms. JOHNSON OF TEXAS. Thank you.

Mr. Shapiro, again, the Administration should be commended for its request for the Clean Water State Revolving Fund. You mentioned in your testimony that the increase in investment will preserve and create jobs. Do you have any estimate on the number of jobs that will be increased and the funding that it will affect?

Mr. SHAPIRO. EPA hasn't separately estimated the number of jobs. I believe it is the Council of Economic Advisors that has come up with some general guidelines in terms of projecting jobs. They would say that roughly for every \$92,000 of investment a job would be created directly or indirectly in the economy.

But EPA has not done a separate analysis of that. We are asking, as projects go into construction and funding, we will be gathering some additional information on how many people are actually employed at those jobs. But at this point we don't have a separate estimate.

Ms. JOHNSON OF TEXAS. Thank you very much.

The Chair now recognizes Dr. Ehlers for a second round.

Mr. EHLERS. Thank you very much. I have just a few brief questions. Mr. Shapiro, how will the Great Lakes Restoration Initiative be administered? In particular, I am wondering what role the EPA's Great Lakes National Program Office will play. Will they be tasked as a lead agency?

Mr. SHAPIRO. Yes. Overall, EPA is given the lead for the Initiative but operationally it will be managed through the Great Lakes Program Office with a lot of interaction from the Office of Water as well as the Administrator's Office, given the importance of this Initiative to her and to the Agency.

Mr. EHLERS. How will you ensure accountability of the other agencies that are involved? Do you have that structure developed yet?

Mr. SHAPIRO. We are beginning to. It has been a fairly intense process of moving through the budget process. But in effect, each agency—in developing the plan that we have for using the money in fiscal year 2010—each agency has come up with a specific set of projects that it has identified that fit into the overarching Great Lakes collaboration strategy. They have been agreed to by a consensus process across the agencies as being an important early investment.

In the context of proposing each of those projects, the agencies have had to identify measures of progress and results that they will track and report back to us on. Again, we are still putting that entire process in place. But we are very much focusing on accountability for the use of the money, transparency to the public in terms of how that money is used, and identification of clear results and criteria with respect to each of the projects that are being proposed for funding.

Mr. EHLERS. Will the output from the collaborative agreement play a role in these decisions?

Mr. SHAPIRO. Yes. In fact, the architecture for what we are doing really derives from the 2005 strategic plan report that the collaborative came up with. The ways in which we have organized the projects and set priorities really reflect the perspective of that report as well as the specific priority areas and actions that were identified in that report.

Mr. EHLERS. Well, I have to say I am very excited about this opportunity. I think it is really important. You have heard all of the discussion about how important the Great Lakes are. It is crucial to the future of this Nation, particularly as water becomes more and more important to the future of our Nation.

So I wish you well and I hope it all works out. I am just delighted with what I have heard. Thank you very much.

Mr. SHAPIRO. Thank you. We are excited, too.

Ms. JOHNSON OF TEXAS. Thank you very much. That concludes our questions. Let me thank all of the witnesses for being here. I hope that the requests that were made for you to follow up will be given attention.

Thank you. The Committee is adjourned.

[Whereupon, at 12:00 p.m., the Subcommittee was adjourned.]

HEARING ON AGENCY BUDGETS AND PRIORITIES FOR FISCAL YEAR 2010, PART 2

Tuesday, June 16, 2009

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON WATER RESOURCES AND
ENVIRONMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The Subcommittee met, pursuant to call, at 2:44 p.m., in Room 2167, Rayburn House Office Building, Hon. Eddie Bernice Johnson [Chairwoman of the Subcommittee] presiding.

Ms. JOHNSON. The meeting will come to order. Good afternoon. Today's hearing marks the second hearing on the President's fiscal year 2010 budget request and the priorities of agencies under the jurisdiction of the Subcommittee.

At today's hearing, the Subcommittee will receive testimony from the Army Corps of Engineers, the International Boundary and Water Commission, and the Agency for Toxic Substances and Disease Registry within the Centers for Disease Control and Prevention.

As I noted at the Subcommittee's last hearing, for the most part, the President's fiscal year 2010 demonstrates that change has finally come to Washington, and, for the most part, most agencies within the jurisdiction of this Subcommittee is a welcome change.

For example, in the fiscal year 2010 budget request, President Obama has requested the highest funding level ever for the Environmental Protection Agency and the single highest request for EPA's Clean Water State Revolving Fund since it was enacted in 1987. While only 1 year ago, I was concluding that the last administration's budget was not adequate to meet the Nation's needs, this budget message is much more optimistic.

However, as I also noted at the last meeting, there are portions of this budget that I do not agree with and believe could undergo some improvement. That is my overall impression of the fiscal year 2010 budget request for the Army Corps of Engineers, which, although the highest request for the civil works program on record, is still close to 6 percent below their appropriated levels for the agency in fiscal year 2009. My greatest disappointment in the Corps' budget request is for the investigation and construction accounts which are respectfully 40 percent and almost 20 percent below last year's appropriated levels for these accounts. For the investigations account, this disappointment stems from a concern that at the requested amount, the Corps of Engineers would be unable to plan and design the next generation of projects within its core missions of environmental restoration, flood damage reduction and navigation. In fact, the President's budget requests funding for only three new project specific studies and two new programmatic studies.

In addition, if enacted at the levels proposed, the fiscal year 2010 investigations budget could have a negative effect on staffing levels

at the Corps' district offices, because the salaries of the Corps' employees are paid from the project funds and in part from funds for project studies.

In addition, the need for new projects is increasing and it is critical to maintain and enhance the capability of the Corps' planning mission both for the civil works program and for its military competency.

For the construction account, I am disappointed that the budget only requests \$1.7 billion for the construction of environmental restoration, flood control, shore protection and river and harbor projects. As was evident during the debate of the American Recovery and Reinvestment Act of 2009, the Corps had identified approximately \$12 billion in so-called ready-to-go projects where work could be undertaken almost immediately upon enactment. Clearly this unmet need was not addressed by \$4.6 billion that was actually appropriated for the Corps in the Recovery Act. However despite this fact, these so-called ready-to-go projects do not reappear in the budget request for fiscal year 2010.

I am equally disappointed that the budget only requests funding for five new starts that were authorized in the Water Resources Development Act in 2007. That monumental piece of legislation authorized a myriad of projects across the varied missions of the Corps which are vitally important to local community needs. However for the most part, these authorized projects were passed over for funding in the budget request.

The one point of praise for the Corps of Engineers' budget request is the close to 14 percent increase in funding for operation and maintenance of Corps' projects and facilities. Operation and maintenance funds are necessary for the preservation, operation, maintenance and care of existing river and harbor, flood damage reduction, environmental restoration and related projects. The administration's request for this account recognizes the importance of operations and maintenance needs and restores a commitment to reliable and efficient operations of our Nation's vast water infrastructure.

I am pleased we are joined this afternoon by witnesses of the International Boundary and Water Commission and the Agency for Toxic Substances and Disease Registry. Both agencies have received slight increases over their fiscal year 2009 appropriated levels.

However, the issues that I am most interested in deal more with policy than with funding. For the IBWC, I am concerned about your decision to move ahead with the construction of wastewater treatment facilities to address sewage flows emanating from Tijuana, Mexico at the South Bay International Wastewater Treatment Plant. As you should know, our Committee colleague, Mr. Filner, has been an ardent advocate for addressing Mexican sewage in Mexico, as was enacted through the actions of this committee and the Tijuana River Valley Estuary and Beach Sewage Cleanup Act of 2000, as amended.

What I failed to gather from your testimony is why the IBWC has seemingly ignored the implementation of this law and has chosen to return to a plan that has been repeatedly rejected by this committee over the years.

For the ATSDR, my attention focuses not on what is in your budget request, but on the importance of what you describe as meeting new challenges in the future related to toxic exposure. I am encouraged by your Agency's participation in a national conversation on public health and chemical exposures which seems to center on rethinking how average individuals may come into contact with toxic chemicals and exploring ways to minimize these contacts.

As a former nurse, I understand the potential impacts that toxic substances can have on human health. Over the past few years, the Subcommittee has held several hearings on emerging exposure pathways to chemicals of concern, including the presence of emergent contaminants in drinking water and surface water. We have seen an ever-growing body of evidence that these chemicals are harming the natural ecosystems and may be posing a similar threat to human health over the long term. This Subcommittee will continue to track your efforts as well as the efforts of the National Center of Environmental Health, and I look forward to your recommendations from the conversation.

I also applaud your efforts with respect to the recent coal ash release in the Tennessee Valley Authority's Kingston Power Plant. This Subcommittee has been closely following this issue, and I have traveled to Kingston to see this spill firsthand. I would appreciate your keeping the Subcommittee informed of your efforts.

And, again, I welcome each of the witnesses here this afternoon, and I yield to the Ranking Member of the Subcommittee, Mr. Boozman, for any comments he might have. Thank you.

Mr. BOOZMAN. Thank you, Madam Chair, for calling this hearing, which is a continuation of the hearing that we held 2 weeks ago to examine the administration's budget proposals and priorities for the coming fiscal year. Today we will hear from three additional agencies whose work falls within the jurisdiction of our Subcommittee, the Army Corps of Engineers, the U.S. section of the International Boundary and Water Commission, and the Agency for Toxic Substances and Disease Registry.

The military realm of the Army Corps of Engineers is literally older than the Nation itself. Its civil works mission is almost as old. It began with the mission of supporting navigation to expand the commerce of a young Nation. Later, Congress added the mission of reducing flood damages, to address the economic and social suffering caused by such events and, most recently, Congress gave the Corps the mission of restoring the quality of our aquatic ecosystems.

For nearly two centuries, the civil works mission of the Corps have contributed to the economic vitality of the Nation and improved our quality of life. At the same time, the civil works side of the Corps represents an experienced, engineering workforce that can be quickly mobilized to address a national defense threat or a natural disaster.

The fiscal year 2010 budget request by the administration for the Corps of Engineers is a little more than 5 billion. This request is 318 less than what Congress enacted in fiscal year 2009. Given the fact that the navigation projects and the flood damage reduction projects provide economic benefits to the Nation, I would like to see

the administration place a higher interest in the Corps' work. All of the Corps' projects put people to work, which is another reason to put these investments high on the priority list.

I am concerned that the Corps has not been able to produce a final Chief's report for a new Water Resources Development Project in a number of years. While I know that this is somewhat the result of Congress not funding a robust study program in the investigations account, I believe the Corps needs to look at how it can streamline its study process so that good projects can come before the Committee more quickly for authorization and consideration.

The International Boundary Water Commission is charged with identifying and solving boundary and water problems arising along the nearly 2,000-mile border between the U.S. and Mexico. We share a lot of water and water infrastructure with our neighbor to the south, so it is important that these resources are well managed, well developed, and well maintained.

Like so many other places in the country, the Commission has a number of levees and dams in its inventories that are in need of repair or rehabilitation. It is important that this agency have the resources and the priority to make these facilities safe and efficient.

The Agency for Toxic Substances and Disease Registry is a branch of the Centers for Disease Control, is the Nation's public health agency for chemical exposure. It has the task of preventing, determining, and mitigating health effects at sites with toxic exposures. This is very important work. It includes a recently begun study of the potential health effects of the coal ash spill in Tennessee last year.

I thank all of you for being here and look forward to your testimony and yield back, Madam Chair.

Ms. JOHNSON. Thank you very much.

The Chair now recognizes Mr. Cao.

Mr. CAO. Thank you, Madam Chair. And I thank you for holding this important hearing today.

The work of the Army Corps of Engineers is particularly important in my district, the Second District of Louisiana, which includes parts of Orleans and Jefferson Parishes in southeastern Louisiana which was devastated by Katrina back in August of 2005. Many homes, including mine, and much of our public facilities, police stations, firehouses, hospital, health clinics, and schools were destroyed by the floodwaters that rushed into the city when levees failed.

Our communities, including the remarkable city of New Orleans, are still struggling to rebuild. But we are making progress, thanks to the sustained oversight by this Committee, including our Ranking Member, John Mica, and the Chairman, James Oberstar. I am proud to call these esteemed gentlemen colleagues and to share in their level of New Orleans and desire to see my district rebuilt.

The Army Corps' work is critical to ensuring the health and safety of my constituents, given the significant construction and ongoing operations by the Army Corps of Engineers in my district. I am interested in hearing from Lieutenant General Van Antwerp about the status of several key issues, including a follow-up to my letter of August 27, 2009 regarding the permanent pump project. Specifi-

cally, I would like to know what resources would be required for the Corps to construct the highest level of protection that is offered by Option 2(a), the legal status of the inner harbor navigational canal LAP project and the Corps' plans for disposing dredged materials generated during construction, and, finally, how the Corps in Louisiana is spending the dredging dollars available from the fiscal year 2009 omnibus appropriations bill and the stimulus bill, especially given as reported in the Saturday's Times Picayune newspaper, these dredged materials would make a significant impact on coastal reconstruction.

You and I ultimately share the same goal: the recovery of Orleans and Jefferson Parishes. I remain your partner in seeing this endeavor through and ensuring we do not repeat past mistakes.

Thank you again, Madam Chair, for holding this very important hearing.

Ms. JOHNSON. Thank you very much.

Congressman Brown.

Mr. BROWN OF SOUTH CAROLINA. Thank you, Madam Chairman and Ranking Member Boozman, for holding today's hearing to review the Army Corps' budget of 2010. While there are some improvements, this request continues to pattern under the White House Budget Writers Union Corps as a low priority. This resulted in a budget that significantly ignores the needs of the Corps, especially its navigational program.

According to testimony just last month, there are about 900 harbors in the United States and around 700 of those are not dredged to the authorized depth. That means seven out of nine ports are not being kept up to standard. Yet we are sitting on a harbor maintenance trust fund that is expecting a balance of over \$5 billion by the end of this fiscal year.

Congress created the trust fund to support the maintenance of our harbors. Instead, the trust fund is used as a budget offset. This has especially hit harbors and waterways that support small communities such as the port of Georgetown in my district. Because funds are not appropriated, these harbors silt in, causing traffic to go to other ports. At the end of the day, unless a Member of Congress is fighting for that particular harbor, the only funding it receives is enough to tell us about how bad things are. If a Member fights for the project, they are attacked for earmarking.

I have statements here from the South Carolina State Ports Authority and the harbor pilots from both the port of Georgetown and the port of Charleston that I would like to submit for the record, Madam Chair. These statements go into even more details about the impact of reducing funding on even major ports like Charleston, and the devastating impact of little funding for harbors like Georgetown.

I note that the request includes a proposed new use navigational pilot program which is costing at least \$700,000 to even bring it dredged to the harbor for work. I am interested in learning more about this proposal. While I am pleased that there is some attention being paid to the small harbors in the budget, I am concerned that this proposal will erode current Federal responsibilities for maintenance of these harbors.

Madam Chair, because of the economic importance of our port, we on this Subcommittee must begin to pay more attention to the Corps' navigational program. Port-related jobs go far beyond just those doing the maintenance work. Port operations in South Carolina facilitates over 260,000 jobs and creates nearly \$45 billion in economic activity each year. Stewardship of these navigational projects should be our top priority.

I want to thank the representatives from the Corps for coming here to testify today and I look forward to their testimony.

Ms. JOHNSON. Thank you very much,.

Mr. Diaz-Balart.

Mr. DIAZ-BALART. Thank you very much, Madam Chairwoman. I also want to thank all of you for being here today. I want to thank the Chairwoman for holding this hearing. And obviously it is always a privilege to see a Floridian here among us. Good to see you, my friend.

I have some concern regarding funding for Everglades restoration. Now, first in the President's fiscal year 2010 budget, he requested slashing the construction account by 423; actually, almost \$424 million. And as we all know, in 2007 Congress finally enacted the long-awaited WRDA legislation which authorized the first three restoration projects, which are Picayune Strand, Indian River Lagoon and Site 1. Now I have been informed however, that—my understanding is that in a typical fiscal year that the Corps funds about 240 construction projects, but that in fiscal year 2010 budget only 86 projects. I don't know if that is accurate. But including—just five new starts will be constructed is my understanding.

Now, additionally, the investigations account was cut by \$68 million. This account is vital. It is important for studying the potential projects, restudying authorized projects, and planning and specification for projects, obviously, just prior to construction. As you know, CERP involves 68 projects in total. So this funding is vital to ensure that other projects are able to move forward.

Now, I understand that—I guess the Corps would like to see \$214 million in fiscal year 2010, is my understanding, for restoration, including beginning construction of the three authorized projects. But this funding, obviously, must compete with other national priorities such as—a lot of other priorities with a much smaller pot. Again, that is part of my concern.

Now, I don't know if you all had a chance to see in the Miami Herald this morning, there is an article about the current land federation dispute among the Water Management District, South Florida Management District, the Corps and the offices of the OMB, the administration. The article states that the cost-sharing issue must be resolved by the administration before any Everglades dollars can be spent on anything, including the funding that was provided in the stimulus. Again, that is what the article states.

Specifically, there is a statement there by Stu Applebaum, that says that, quote, could potentially lose some of the \$183 million set aside in fiscal year 2009 for the Everglades.

Then, Mr. Salt, I believe you sent a letter yesterday, I believe, to Chairman Visclosky stating your decision to remove Site 1 from the Civil Works Recovery Act funding plan. Obviously, both Picayune or IRL were also deemed ineligible for stimulus dollars. So I

am not going to get into the whole issue about what projects should have been there, should not have been as new starts, but obviously this raises serious concerns.

In the letter it says that if appropriations for Site 1 are made available in fiscal year 2010 energy and water appropriations bill, then Site 1 will become eligible to receive Recovery Act funding if obligated Recovery Act funds for civil works activities remain available at that time, and then we will consider allocations for such funds to Site 1.

So again, obviously, the combination of a potential zeroing out of fiscal year 2009 in stimulus dollars, the fact that the first three authorized projects now are ineligible for stimulus dollars, and now a significant decrease in construction funding for fiscal year 2010 leaves me with some serious concerns regarding this administration's commitment to Everglades restoration.

Obviously, this is a critical time for the Everglades, as we all know. It took 7 years to enact WRDA. That was Congress' fault. And any further delays in commencement of construction of these important projects could be, frankly, very detrimental for ongoing efforts. So basically I am a little concerned about what the commitment is for Everglades restoration. Will it be a priority for this administration? What steps are going to be taken to ensure immediate action on the cost-sharing master agreement by the administration so we can move forward on that? And then, obviously, we need to see if we can ensure that our dollars are specifically reserved for Site 1, as well as Picayune and IRL, assuming that there is funding in fiscal year 2010. Again, those are some of the concerns.

I know it is a mouthful, but I just wanted to bring those out there. And we will stay in touch and continue to talk. But I just wanted to make sure that I threw those concerns out there.

Thank you for your time, Madam Chair.

Ms. JOHNSON. Thank you very much.

We have before us today, Mr. Terrance Salt, Acting Assistant Secretary of the Army for Civil Works at U.S. Army Corps of Engineers, Washington; Lieutenant General Robert L. "Van" Van Antwerp, Chief of Engineers, U.S. Army Corps of Engineers Washington; Commissioner C.W. "Bill" Ruth, International Boundary and Water Commission, U.S. Section, El Paso, Texas; and Dr. Howard Frumkin, Director of the National Center For Environmental Health Agencies for Toxic Substances and Disease Registry, Centers for Disease Control and Prevention, Atlanta, Georgia.

TESTIMONY OF TERRANCE C. SALT, ACTING ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS, U.S. ARMY CORPS OF ENGINEERS, WASHINGTON, D.C.; LIEUTENANT GENERAL ROBERT L. "VAN" VAN ANTWERP, CHIEF OF ENGINEERS, U.S. ARMY CORPS OF ENGINEERS, WASHINGTON, D.C.; COMMISSIONER C.W. "BILL" RUTH, INTERNATIONAL BOUNDARY AND WATER COMMISSION, U.S. SECTION, EL PASO, TEXAS; AND DR. HOWARD FRUMKIN, DIRECTOR, NATIONAL CENTER FOR ENVIRONMENTAL HEALTH, AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, CENTERS FOR DISEASE CONTROL AND PREVENTION, ATLANTA, GEORGIA

Ms. JOHNSON. If you will begin your testimony in the order of your being named, I would appreciate it. Thank you for being here.

Mr. SALT. Chairwoman Johnson, Representative Boozman, 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 2010. Developing this budget we have sought to achieve four principal objectives:

First, focus our construction funds on those investments that provide the best return from a national perspective in achieving economic, environmental, and public safety objectives.

Second, to support the safe and reliable operation and maintenance of key existing water resources infrastructure.

Third, to improve Corps project planning and program performance.

And, finally, to advance aquatic ecosystem restoration efforts, including restoration of Louisiana's coastal wetlands and Florida's Everglades. And, Congressman Diaz-Balart, clearly I need to come and chat with you about that effort.

The budget provides funding for the development and restoration of the Nation's water and related resources within the 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, water supply services at existing water resources projects owned or operated by the Corps, protection of the Nation's regulated waters and wetlands, the cleanup of sites contaminated as a result of the Nation's early efforts to develop atomic weapons, and emergency preparedness and training.

The total discretionary funding of \$5.1 billion in the fiscal year 2010 budget is the highest amount ever requested by the President for the civil works program. The budget proposes the enactment of legislation to authorize a lock usage fee which would over time replace the diesel fuel tax now paid by most commercial users of the Inland and Intercoastal Waterways.

This proposed legislation will address the declining balance in the Inland Waterways Trust Fund. This affects the government's ability to finance the non-Federal portion of the Federal capital investment in these waterways and will do so in a way that improves economic efficiency compared to the existing fuel tax by more closely aligning the cost of those who use the Corps locks for commerce with the capital costs that the Corps incurs on their behalf.

The administration stands ready to work with the Congress and stakeholders interested in these capital investments to help pass and implement this proposal.

The fiscal year 2010 budget continues the civil works program's commitment to a performance-based approach to budgeting. The Army applied objective performance guidelines to focus construction funds on those investments within the three main mission areas of the Corps to 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 2010 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 2010.

In fiscal year 2010, 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 ecosystems.

I would like to speak for a minute about the recently enacted American Recovery and Reinvestment Act which provides \$4.6 billion for the Corps' civil works program. The Corps is managing these funds and successfully achieving the Recovery Act stated purposes; obligations and expenditures commenced in early May on clearance of the Corps' project plans and lists.

Projects were selected based on the fundamental tenet of prudent management and investment in infrastructure and ecosystem restoration that will provide long-term benefits for the Nation. The civil works allocations are fully consistent with the President's direction provided in his executive memorandum of 20 March 2009, ensuring responsible spending of Recovery Act funds.

Moreover, the civil works allocations are consistent with the additional project selection criteria provided in the conference Committee report accompanying the act. The project programs or activities that are accomplished with Recovery Act dollars will be obligated and executed quickly, will result in high immediate employment, have little schedule risk, will be executed by contract or direct hire of temporary labor, and will complete a project phase, a project, an element, or will provide a useful service that does not require additional funding.

Also, as stipulated in the Recovery Act, no funds will be used for any project that, at the time of the obligation, has not received appropriations provided for energy and water development. Essentially, no new starts. The wide geographic distribution of projects spreads the employment and other economic benefits across the United States.

Funding also is distributed across the civil works programs to provide the nation with project benefits related to inland and coastal navigation, the environment, flood-risk management, hydro-power, recreation and more.

Since I last appeared before this Committee, I am pleased to report that as of close of business June 12th, the Corps has obligated more than \$320 million. On-the-ground work has begun and real

progress is being made. This administration has made rebuilding America's infrastructure a priority to resources provided for the Army's civil works program in the President's budget for fiscal year 2010, as well as the resources provided to the stimulus bill to work and help achieve this objective.

Madam Chairwoman, I am proud to support the fiscal year 2010 budget for the Army civil works program. I look forward to working with the Subcommittee and to your support for the President's budget proposals. Thank you, ma'am.

Ms. JOHNSON. Thank you very much.

Ms. JOHNSON. Lieutenant General Van Antwerp.

General VAN ANTWERP. That is fine, ma'am. Thank you.

Chairwoman Johnson, Representative Boozman, distinguished Members of the Subcommittee, it is really an honor to testify before you on the President's fiscal year 2010 budget.

I would like to start out just by giving a little bit about the civil works program, because it is really an amazing thing when you hear it rolled up. We own and operate over 650 dams. In navigation, we have 12,000 miles of inland waterways that we are responsible for. My folks tell me that would stretch halfway around the world if you strung it all together. We have 241 lock chambers at 195 different sites. We dredged over 204 million cubic yards. A football field piled high with that would be 10 miles high.

Flood damage reduction: we have 383 reservoirs in the Corps of Engineers. We have 11,000 miles of levees, which constitutes about 16 percent of the levees in this country. Environmental protection, of course, we approved 53,000 permits last year. Hydropower, we have 75 sites and 350 generators that generate a lot of the hydro-power for this Nation. We added 372 million visitor days to our projects last year as a backdrop for what we do.

This is a performance-based budget. It completes ten projects; four in navigation and six in flood and coastal storm damage reduction. A little breakout by percentage, 11 percent of this budget is environmental, 35 percent navigation, and 32 percent is in the flood and coastal storm damage reduction.

As was mentioned already, it includes three new watershed studies. In the construction program, it has 93 construction projects and they include 10 dam safety projects, nine projects that address significant risk to human safety and eight project completions.

There are 15 mitigation or environmental projects like the Everglades, Columbia River, Missouri River Basin, and there are five new starts. They were, all five, very high-performing projects.

The operation and maintenance, ma'am, that you acknowledge, this is a 14 percent increase. There are a lot of projects out there built in the 1940s, 1950s and 1960s that we really need to get at.

Representative Cao, just a little bit on New Orleans. We are going to make that 2011 deadline for the hurricane-reduction system and we are very proud of the incredible work that has been done down there.

There is also 25 million in investigations for coastal wetlands this year. We went back to the 1930s, and looked at the amount of coastal wetlands in this country. We have lost a million acres since 1930. Pretty amazing.

And I will just close here by talking about Iraq and Afghanistan just for a moment, although it is not directly under the purview of this Committee. I just want to tell you that your Corps of Engineers has had 10,000 civilian members of the Corps of Engineers deployed to either Iraq or Afghanistan since 9/11 doing phenomenal work over there. We are having a little bit of a change in that the workload in Iraq is going down. At the same time, we are doubling our workforce in Afghanistan. So, very exciting things out there.

Finally, Mr. Salt did cover the Recovery and Reinvestment Act. I will just say that in the 5 weeks that we have had the funds available, we have obligated \$322 million. And by the end of this fiscal year, 30 September, we will have 45 percent of that \$4.6 billion under contract.

Ma'am, I look forward to the questions of this Subcommittee. Thanks for the privilege of testifying today.

Ms. JOHNSON. Thank you very much.

Ms. JOHNSON. Commissioner Ruth from El Paso.

Mr. RUTH. Chairwoman Johnson, Ranking Member Boozman, and Members of the Committee, thank you for the opportunity to discuss the U.S. Section of the International Boundary and Water Commission's fiscal year 2010 budget request and priorities.

The President's fiscal year 2010 budget requests a total of \$76.25 million for the USIBWC, including \$33 million for salaries and expenses and \$43.25 million for construction. The S&E request covers expenses related to salaries and expenses and USIBWC's administrative costs, as well as funds needed for the continued operation and maintenance of the U.S. portion of binational infrastructure and projects along the United States-Mexico border.

The President's fiscal year 2010 budget requests \$43.25 million for the construction account. Of this amount, \$21.4 million is requested for flood control rehabilitation efforts to continue with upgrades to the aging levees in the USIBWC's Rio Grande's flood control projects along the upper and international reaches of the Rio Grande. Levee rehabilitation is one of HSIBWC's top priorities. These upgrades, which include structural improvements and raising the height of levees, are needed to provide protection for communities along the Rio Grande during a 100-year flood event in accordance with criteria established by the Federal Emergency Management Agency and to enable certification to FEMA standards, thus alleviating the need for border residents to purchase costly flood insurance.

Another one of my top priorities is to complete the South Bay International Wastewater Treatment Plant in San Diego, California. We have requested \$6 million in fiscal year 2010 to construct an administration building and laboratory facilities. The USIBWC awarded a contract in 2008 for construction of the secondary treatment component of this plant, which is currently under construction and is scheduled to come on line by the end of the calendar year 2010.

Recent safety of dams inspections have identified seepage problems at the two international storage dams on the Rio Grande--Amistad and Falcon. Funding of \$5 million is requested for the U.S. share of the cost required to conduct further binational investigations to determine viable remediation options.

We are requesting funding in fiscal year 2010 for the Nogales International Outfall Interceptor, which is a pipe that conveys wastewater from Nogales, Sonora, and Nogales, Arizona, to the Nogales International Wastewater Treatment Plant. Constructed in 1970 and 1971, the 9-mile long pipeline has deteriorated over time. The IOI must be repaired or in part replaced to avoid adverse environmental impacts and to ensure a reliable operation of the wastewater collection and treatment system. The fiscal year 2010 request of \$750,000 represents USIBWC assumed a 50 percent share of the cost for the project's design.

We have requested \$3 million to begin reconstruction of the American Canal. Located in El Paso, Texas, this 1.5-mile-long, concrete-lined canal was built by the United States in 1938 to convey Rio Grande waters to U.S. water users. It has deteriorated over time and it is at risk of being unable to deliver water to U.S. users. In fiscal year 2010, USIBWC intends to design the needed improvements and undertake environmental remediation measures.

Our fiscal year 2010 request includes \$400,000 for reestablishment of approximately 43 acres of riparian habitat to mitigate for the environmental impacts of sediment and vegetation removal that took place under the Colorado River Boundary and Capacity Preservation Project. This project was undertaken to restore the flow capacity of the Colorado River Channel at Morelos Dam. Funds in the amount of \$4.4 million are requested for facilities renovation and heavy equipment replacement programs.

We are also requesting \$2.3 million to improve security at our facilities in a post-September 11th world. This fund will fund measures to address security and vulnerability risks at critical transboundary infrastructure, such as Falcon and Amistad Dams, our field offices, and headquarters facilities.

Madam Chairwoman, thank you for the opportunity to testify today, and I would be pleased to respond to any questions you or other Members of the Committee may have. Thank you.

Ms. JOHNSON. Thank you very much.

Ms. JOHNSON. Dr. Frumkin.

Dr. FRUMKIN. Good afternoon, Madam Chairwoman Johnson, Ranking Member Boozman, other distinguished Members of the Committee. On behalf of the new Director of the Centers for Disease Control and Prevention and the Administrator of the Agency for Toxic Substances and Disease Registry, Dr. Thomas Frieden, I would like to thank you for the opportunity to testify today.

I would like to give you a brief overview of ATSDR's scientific and programmatic activities and then discuss ways in which ATSDR is taking a fresh look at how we can serve communities concerned about toxic exposures. ATSDR, as you know, is the principal Federal nonregulatory public health agency charged with protecting the public from toxic exposures. The Agency was formed about a quarter century ago under the Superfund Act, or CERCLA, and was assigned by Congress with four principal responsibilities:

The first is protecting the public from toxic exposures. We do that by assessing exposures at hazardous waste sites and making recommendations for protecting health; by assessing other kinds of chemical releases such as contaminated schools or smokestack emissions and, again, making recommendations for protecting pub-

lic health; and responding to emergency releases such as the coal ash spill in Tennessee that you mentioned earlier, Madam Chairwoman, and, again, making recommendations for protecting public health. Much of that direct protective work is done in collaboration with State agencies whom we fund and support.

Our second major responsibility is building the science base on toxic chemicals. We carry out that mission through intramural research in toxicology and epidemiology, through a small program of funded extramural research, and through assembling the results of other people's research into authoritative documents such as this Toxicological Profile.

Our third major responsibility is educating the public and health-care providers about the effects of hazardous chemical exposures. Congress recommended that both the public and health-care providers needed to know more and charged us with that job. We carry out public educational activities, we produce user-friendly fact sheets such as this, and produce educational materials for physicians, nurses, and other health-care providers.

Our final responsibility is conducting registries. We register groups of people who have been exposed to a particular substance, such as at the World Trade Center or in Libby, Montana, and follow them over time both to communicate with them subsequently and as a platform for research.

We have been very successful in our quarter century of existence. We have addressed a large number of hazardous waste sites. We have established the concept of community service in environmental health. We have advanced environmental justice considerations. We have advanced science in many ways. And we have carried out many educational activities.

But this is a time for reevaluation, and that is very high on our agenda for the coming year. We are a shrinking Agency. When I began my service almost 4 years ago, we had roughly 400 on-board staff. We now have fewer than 300, requiring that we do our job better with less.

Circumstances are changing. As you mentioned, Madam Chairwoman, we now recognize new chemicals that are emerging, new pathways of exposure, and health outcomes not fully appreciated 25 years ago. The science has advanced in many ways, toxicologically and in terms of biomonitoring. We have undergone public and congressional scrutiny over the last year and that has called on us to take a hard look at the way we do our work. And we have a culture of continuous quality improvement that would call on us in any event to do those things.

During this past year, we have undertaken a management review of our management procedures and we have identified a number of opportunities for improvement and have made those. We have undertaken an external review of our science administration - our clearance and production of science documents and have improved those. But perhaps most important is the National Conversation on Public Health And Chemical Exposures to which you referred earlier. This is a 1- to 2-year process, about to be launched next week, after about a year of preparation in which we will convene agencies from across the Federal Government and at the State and local level with a number of other stakeholders nation-

ally. Environmental groups, community groups, industries, public health groups and others will take a hard look across the entire system that we have set up nationally to protect the public from toxic chemicals.

We believe there are major opportunities for collaboration among agencies to avoid redundancies, to fill gaps and, in general, to perform more effectively and more efficiently at protecting the public from hazardous chemicals. We have several hundred people registered for a launch next week, and we are very much looking forward to performing that analysis with stakeholders; to generating practical, actionable recommendations, and to implementing those over coming years to improve our national approach to protecting the public.

Thank you very much for the opportunity to be here. I look forward to answering any questions.

Ms. JOHNSON. Thank you so very much.

Ms. JOHNSON. I am going to call on Mr. Filner to start first on the questioning.

Mr. FILNER. Thank you, Madam Chairman. And thank you for your questions about the situation in San Diego and Tijuana. Mr. Ruth did not answer them, but maybe we will get him to answer.

By the way, General Van Antwerp, I somehow would not use the word "exciting" to talk about Afghanistan. It is a sad situation. We are losing young men and women. I don't find that exciting. Try another word.

Just for my colleagues' quick rundown, I represent the whole California-Mexico border. We have two major cities across my district: Tijuana with several million people, Mexicali with about a million. Each one has less than half of the facilities necessary to treat sewage. Raw sewage gets dumped into gullies and canyons and comes over in what are generally referred to as the two most polluted rivers in America, the Tijuana River and the New River. I am not happy to say I am probably the only Congressman in America that says 60 million gallons or so of raw sewage flows across my district. So we are very dependent on the work of the IBWC.

Unfortunately, what I just said about raw sewage flowing through my district, I said 10 years ago and 20 years ago. We haven't done the job.

Madam Chairman, you said we were off to a new start with the new administration. I wish I was excited. I read Mr. Ruth's testimony and it is just not accurate. It said, for example, that in 1997 when you started the waste treatment plant, you said in the interest of addressing public health and environmental concerns as expeditiously as possible, the USIBWC and the EPA decided to construct the South Bay plant; decided to construct the South Bay plant in stages. Build the primary treatment—advanced, primary and then the secondary.

Look, you ran out of money because you underestimated what it would do, and you didn't meet the law. So we didn't do the secondary treatment. Now you intend, you say, to deal with it after 10 years or so. And as I read your testimony, you are saying that the new secondary plant—which I don't know how you are doing

for 6 million, because it was estimated for another 100 or something—would treat 25 million gallons per day; is that correct?

Mr. RUTH. That is correct.

Mr. FILNER. Mr. Ruth, you know as well as I do—you have worked on this back to eternity—25 million gallons per day was what it was when we started building the thing 10 years ago or 12 years ago. It is now double that and it is projected for even more. So when you finish your secondary treatment plant, we are going to be right back where we were in 1997, right? It will still have 50 million gallons of extra raw sewage that is untreated and flows across and into the Pacific ocean?

Mr. RUTH. I can speak to that point.

Mr. FILNER. Madam Chairman asked—we passed two laws signed by two different Presidents that said don't do this; do a treatment plant that would treat the whole capacity in Tijuana, and that we would do it, and the IBWC ignored two laws of Congress.

Do you want to answer why we didn't do that?

Mr. RUTH. Well, unfortunately, sir, I wasn't here for 10 years of those discussions. I was here for the period prior to that when the decision was made.

Mr. FILNER. You were appointed last year?

Mr. RUTH. Yes, sir.

Mr. FILNER. For what length of time?

Mr. RUTH. For the end of the year.

Mr. FILNER. Until the end of 2008?

Mr. RUTH. Yes, until the present administration makes a decision for—

Mr. FILNER. So you are really not there.

Mr. RUTH. I can assure you I am there.

Mr. FILNER. But your appointment only lasts until the President appoints a new one.

Mr. RUTH. That is correct, until—

Mr. FILNER. I am sorry. My time is quick. But why didn't we do what we said in those two laws that were passed by Congress?

Mr. RUTH. The original plant was constructed to an advance primary plant and the decision was made in the early 1990s to do that. The plant was constructed and put into operation in 1997. Unfortunately at that time, there was no money to take it to secondary.

Mr. FILNER. It was meant to be secondary.

Mr. RUTH. It was meant to be a secondary.

Mr. FILNER. It wasn't planned to be a primary? It was planned to be a secondary.

Mr. RUTH. It was planned to be a secondary treatment facility. And the moneys that were available were only enough money to build the advanced primary portion of that plant. Then over the next 10 years, the decision was made to construct and finish out the plant as it was originally intended, for 25 million gallons per day. And that is what is being done now. That contract was let in November of this year and it is scheduled to be completed by the end of 2010.

Mr. FILNER. What about the additional 25 million gallons of water that we can't treat of sewage?

Mr. RUTH. I just got a report from Mexico, just dated this month, June of 2009, Mexico's intention is—and they are constructing two treatment plants in Mexico. One was just commissioned this last week. The other is scheduled to be put on line by the end of this year. And they laid out their infrastructure in Tijuana to utilize those plants and to utilize that water for reuse, and they showed a very detailed report of what their intentions—

Mr. FILNER. For how much? How much capacity?

Mr. RUTH. The capacity of those plants were each about 7.5 million each, and they can be increased in size. They can double that size. They are moduled to where they can go to the 25 million. Their intentions are that they will reuse all of the water that Tijuana is generating and that they do not intend to send any additional water to the United States. This was a statement made by SES this past week.

We have been working very closely with Mexico through our Mexican section of the International Boundary and Water Commission and they have made improvements at the San Antonio de los Buenos plant or Punta Banderas as they refer to it. So the combination of the new plant—

Mr. FILNER. You should go down there again. Half the sewage is not even treated and ends up in San Diego. But I know my time is up, Madam Chair.

We have a long talk, Mr. Ruth, to—you are simply wrong about the history of the last 10 years, because it doesn't take into account the two pieces of legislation we have passed. And I haven't heard anything about the New River anyway. So we have a lot of stuff to talk about.

Mr. RUTH. I will be glad to speak with you any time.

Mr. FILNER. Thank you. Thank you, Madam Chair.

Ms. JOHNSON. Thank you very much. Mr. Boozman.

Mr. BOOZMAN. Thank you. First of all, I would like to say that I think that the work that the Corps is doing in Afghanistan is exciting and very commendable. And I say that, and I think my colleague will agree, in the sense that rebuilding the infrastructure, helping the Afghans with those kind of problems—which is what the Corps is engaged in and what you are talking about—again, I think that is very commendable and I think it is very exciting and I think it will help us working with our NATO allies with the outcome.

Mr. Salt, in looking at the budget, I see a lot of numbers and things, and yet I only can gauge it by what is happening with some of the events that I know about. And as you know, the Ozark Dam on the Arkansas River is a project that is located—happens to be located in my congressional district. But besides that, it is a project where we have appropriated a lot of money. The project is almost two-thirds done. The construction is such that the thing is all torn up, and now it appears in the President's budget that we are just walking away from it.

In the figures I have seen, the government spent \$40-plus million. It is a public-private partnership. The ratepayers of Arkansas through their utility have spent \$20 million. How much more money will it cost to walk away from the project if we do away with the current contract?

Mr. SALT. Sir, I understand—I think you are asking me what the termination costs of the current contract are—I believe 20 million dollars is the estimate.

Mr. BOOZMAN. So we are spending \$80 million again with the thing two-thirds complete. The ratepayers of Arkansas that have come up with \$20 million, will they be reimbursed for the money they have spent?

Mr. SALT. Sir, I am not sure I know the answer to that. I am assuming the answer is no. I am assuming that the answer is that the protocols that are set up for that are that they would not be reimbursed.

Mr. BOOZMAN. What sense does it make to start a project with all that is involved in getting this type of project done, a huge commitment of money—at that time everybody agreed that the project was worthwhile. The cost ratio was figured, and now I am being told that the cost ratio is being refigured, and it is a lower rate. What common sense can you use when you have spent that amount of money to redo your cost ratio in the middle of the stream?

The other thing is electricity rates are going up now as we speak, as well as energy is going up. I mean, again, can you explain that to me?

Mr. SALT. I am not exactly sure of the question. I think—if the question—

Mr. BOOZMAN. How can you refigure the cost ratio when you have got a project that is two-thirds done, and then decide that it is not a worthy project?

Mr. SALT. Sir, I wasn't aware that we redid the cost ratio. I can check on that.

Mr. BOOZMAN. How can you decide when it is two-thirds done that it wasn't a worthy project to begin with?

Mr. SALT. I think as we put this budget together, one of the factors were that we would focus on the higher performing projects so that we would be able to free up money to have new starts for some of the even higher performing projects.

Mr. BOOZMAN. But it doesn't make any difference that the project is two-thirds complete when you decide to shut it down? How much—can you find out how much electricity—again this is hydropower. This is what we are trying to do in this country as far as greening up things, good project. Right now it is all torn apart. Can you tell me how much hydropower was generated before, how much hydropower is generated now, and then how much will be as we walk away?

Mr. SALT. Sir, I don't have those numbers in my head. I have them in a book here. I can—

Mr. BOOZMAN. We are going to have—my understanding is is these turbines have been ordered, this \$60-plus million worth of stuff is going to be delivered, and much of that is going to be out on the street adjacent to this structure, just kind of out there. I mean, is that correct? What are we going to do with the stuff that we have ordered?

Mr. SALT. Sir, we are looking at a number of options to pursue that, one of which is—just by way of a little bit of a background on this as we put our Recovery Act list together, our assumption was that this was a likely candidate for the budget. So it was not

one of the projects we considered when we put the Recovery Act list together. When the final policy decisions were made with respect to the budget, it was a performance matter, for the performance of our ongoing construction projects, and this project fell below the line. So we are now in the—I am in the——

Mr. BOOZMAN. What is the remaining benefit to the remaining cost ratio of the project?

Mr. SALT. The remaining benefit to cost ratio is higher than the total benefit to cost ratio.

Mr. BOOZMAN. Are there projects with lower ratios that are being funded in the President's budget?

Mr. SALT. Sir, I believe the only exception would be projects that would be funded to complete; that we added—that we allowed those to complete. I think this is the only project that fell into this category, and as I indicated, were—as we look at our opportunities and the rethinking of the Recovery Act funds, obviously this one is higher than——

Mr. BOOZMAN. I don't mean to interrupt. I am sorry, but we have got to move on in fairness. I would just say this. You guys do a lot of good work. I would hate for this to be the poster child of what is going on with the OMB budget, with you guys, and with the Recovery Act. I yield back.

Ms. JOHNSON. Thank you. Mr. Hare.

Mr. HARE. Thank you, Madam Chair. This is really directed to Mr. Salt and General Van Antwerp. My district has—I am from Central Illinois—247 miles of the Mississippi River and seven locks and dams. I toured the Quincy Lock and the lockmaster had me hit the lock with my fist, and a piece of concrete about the size of a football came off. And literally some of these locks, they are using duct tape to keep these things together.

Mr. HARE. First of all, we have a huge problem, I mean, if these locks fail. The second problem is, just from the corn growers and the producers lose the 6 days with having to break the tows down.

But, you know, most importantly, say, if Quincy wants to use hydroelectric off of it for the things, the frustrating part is, you know, there is no money to fix these, to replace them. And I think it is critical, you know, not just for my district but just for people in general.

So my question is this to you. I understand that 50 percent of the funds that are needed to repair the locks or modernize these structures come from the Inland Waterways Trust Fund, which is broke or nearly broke, and it is due the diesel tax, which hasn't been indexed for inflation in decades.

You folks could help me out a lot here if you could tell me, from your perspective, what do we need to do to be able to come up with the money. Because, as was mentioned earlier by Mr. Boozman, the estimated number of jobs created or that would be used if these locks were repaired would be 28,000 construction jobs. When you think about that, that is a tremendous number of people being able to go back to work and help their families out.

If you could help me out here with some suggestions on how we can come up with—I know it is tremendously expensive to replace these. My fear, though, is these locks are going to fail, maybe, and then what are we going to do?

If, literally, they are being held together with duct tape—and I don't mean totally, I don't mean to put it that way, but literally you see how they are falling apart—and all it takes is a couple tows to hit one of these things hard enough and we have a real severe problem here, what can we do, from your perspective, to be able to come up with the necessary funding, whether we change this mechanism or what do we need to do so that, one, we can replace these locks or repair them, get people back to work, and give our producers who have a—as I said, Brazil has a 6-day advantage on a trade deal just by having to break these things apart.

So, you know, I am just really looking for suggestions from you on how we can do this and how we can get started on the road to being able to being able to fund this program. We passed it, the President vetoed it, we overrode the veto. And here we have a tremendous opportunity, but we don't have any money.

So I know that might be a question that maybe doesn't have an answer, but I certainly would be open to any suggestions you have in terms of how do we get this thing moving.

Mr. SALT. As I mentioned in my oral statement, the administration has put forward a proposal to restructure the user fees for the Inland Waterway Trust Fund. And, as I said, we are certainly willing to work with the Congress to try and work on that part of it.

I think, sir, you are bringing up a huge issue not just with the inland waterways infrastructure, but the whole issue of aging infrastructure throughout the country. I think you are right; it is a large problem. I look forward to working with the Committee as we try and think about how we deal with those important issues, not only for the inland waterways, but for the water resource infrastructure throughout the country.

Our various flood protection levees and dams are not in great shape and, by default, we are ending up dealing with them all as dam safety issues, which is not the most cost-effective or best policy way to deal with that.

So I think we in the administration understand this is an enormous issue that you have raised, and it is one that we owe our best thinking. And we look forward to working with you and the Committee as we try and do that.

Mr. HARE. Sir?

General VAN ANTWERP. Sir, we are meeting with the industry and with the users right now. And we have some levels. We think right now it is \$86 million, which when you put the 50-50 and you get double that. But it really needs to be about 250 doubled to about 500 to get at what you are talking about.

We know the condition of our lock chambers, and you saw the condition as well. That is what it is going to take. A number of our people are meeting with industry. We have a proposal here, but we need to find a way and do it pretty soon, as you recognize.

I think something good could come out of this meeting with industry, because of an unscheduled outage. And that is what you are talking about. A scheduled one they can deal with, they can work around it. But an unscheduled one, that is what really kills the industry.

Mr. HARE. I know my time is up, but I just wanted to put a plug in for Colonel Sinkler, who I know is down in Louisiana now. He

is a wonderful man, and we miss him terribly from our area. But he worked on the floods and a number of things.

And, you know, from my perspective, I have had an opportunity to work with the Corps, not just in this position, but when I worked for a Member for 24 years. And I thank you for all the work that you do do. I think the problem has been we just haven't given you the resources that you need to be able to do the things that you really do.

But I appreciate what the Corps does. And anything that we can do to get these things fixed and rebuilt them, you know, I would be happy to help you in any way I can.

Thank you, Madam Chair.

Ms. JOHNSON. Thank you very much.

Mr. Cao?

Mr. CAO. Thank you, Madam Chair.

And, General, I also commend the Corps' work in Afghanistan but especially the work of the Corps in Louisiana.

In your testimony, you stated that the Army Corps dredges annually 204 million cubic yards along the 12,000 miles of inland waterways. Of that 204 million cubic yards, according to The Times-Picayune, 63 million tons come from the Louisiana coast, coastal areas. But of that 64 million tons, the Army Corps only uses 12 percent to rebuild Louisiana marshlands.

My question to you is, what plans do you have to more efficiently use the dredge material to restore Louisiana coast lands, especially from fundings under the fiscal year 2009 omnibus appropriation and the stimulus bill?

General VAN ANTWERP. Well, Congressman, that is a great question. There are a lot of uses for this dredge material. And some of the limitations are based on the cost of disposal, some of it is on the cleanliness of the material and other things.

We in the administration are taking a close look at how we can beneficially use these materials, because they are a benefit if you want to replenish a marsh area or a wetlands.

We are taking that under advisement. We have heard you here today. We agree that we really need to look at this and make sure, as much as possible, we are using this material where it helps to reduce storm damage, where it can also replenish some of the marshes and wetlands.

Mr. CAO. Do you have an estimate with respect to how much it would cost to use more efficiently the amount of dredge material that you dredge from the waterways?

General VAN ANTWERP. Well, we know what it costs us to dispose today.

There is open ocean dredging, open ocean disposals, which is usually the least expensive way to dispose of it. But I think we are at the point now, because of the vulnerability of our coastlines, we really have to look at other options. We are looking at this in a broad policy arena to see what is the best way to do it.

And I defer to Mr. Salt here to take on the policy part.

Mr. SALT. Sir, currently, the national guidance for the Corps is that they look at projects, like dredging projects, on the economic merits. So when you look at the benefits of a beneficial use, it is

not always economic. The way the program is being implemented ends up with not a very effective way, as you are pointing out.

We are committed to relook at those policies so that we can properly account for the environmental benefits in those kinds of projects and not penalize projects such as you are referring to that would allow for the beneficial use of those materials and greatly increase that type of activity.

Mr. CAO. And I have one more question in connection with the Corps, and I would ask for a very brief answer.

Can you describe the Corps' approach to analyzing how the coastal ecosystem will be affected by the hurricane protection alternatives evaluated in the LACPR report?

General VAN ANTWERP. The LACPR report is looking at everything from barrier islands to creating wetlands to things that are nonstructural, like relocations. I think that there is great possibility of some solutions in there that will provide more, what I call, risk reduction of the coastline in Louisiana.

In addition, some things like the structural part on the Lake Borgne surge protection barrier is going to provide tremendous amount of risk reduction to the people, as it really blocks, virtually blocks, what is coming in the inland waterway there.

Mr. CAO. Thank you, General.

And my last question is to Dr. Frumkin. What plans to do you have in place to evaluate and protect the health of African-American communities? And I have in mind a very polluted area in New Orleans that is called Gert Town in New Orleans.

Dr. FRUMKIN. We use the same tools in our toolbox for African-American communities that we do for all the communities we serve. We have a great deal of experience with minority and poor communities, because, unfortunately, hazardous waste sites are disproportionately located near such communities.

Close collaboration with the community, good communication, using staff who are well-trained and experienced in careful communication; careful assessment of the health hazards not only posed by toxic exposures but by other threats that the community may face, be they lack of access to medical care, underlying medical conditions, and so on; and then generating recommendations that are actionable by the authorities responsible for acting on them. That could be the State health department, local health department, and others.

So the combination of community involvement, of careful, comprehensive, science-based evaluation of health hazards and generation of useful recommendations would be our standard approach.

Mr. CAO. Thank you very much.

Thank you, Madam Chair.

Ms. JOHNSON. Thank you very much.

Mr. Bishop?

Mr. BISHOP. Thank you, Madam Chair.

And thank you to our witnesses.

I represent eastern Long Island, about the last 70 miles of Long Island, so I have about 300 miles of coastline in my district. And our office works quite closely and quite cooperatively with the New York District of the Army Corps. And I want to commend them,

and particularly Colonel Tortora, for the service that they provide both to our district and to our constituents.

I am concerned about what appears to be the continuation of a policy of the prior administration on the part of this administration with respect to beach nourishment. We know that beach nourishment projects that were shovel-ready were taken out of the eligibility list for funding under the stimulus bill.

And so my question to you, Mr. Salt, is very simply, what is the policy of this administration with respect to a Federal role in beach nourishment projects?

Mr. SALT. Sir, you are correct that the policy call was not to fund those projects in the Recovery Act. But in the President's budget, beach nourishment and renourishment projects with a benefit-cost ratio of 2.5 or greater were included in the budget, to include the Fire Island Inlet to Montauk Point section of New York.

Mr. BISHOP. If I may, I don't wish to be argumentative, but isn't the majority of the funding in the President's budget for the Fire Island to Montauk Point reformulation, isn't that the court-ordered, west of Shinnecock project, the Westhampton Beach, the Westhampton Dunes project, which has an ongoing several-million-dollar-a-year, court-ordered requirement for beach nourishment?

Mr. SALT. Sir, I don't know about that part.

Mr. BISHOP. I think I am right, sir.

Mr. SALT. But I would just say it was included in the budget because of the storm damage reduction benefits that it provided.

Mr. BISHOP. Again, I will say I think, if the \$5.8 million that is in the budget for Fire Island to Montauk Point, I believe that the lion's share of that is pursuant to a court order. So it is nondiscretionary on the part of the administration and on the part of the Army Corps.

So I guess my question is, should we rely more, in terms of where the administration is going with respect to this policy, on the exclusion of the beach nourishment projects from the stimulus funding, shovel-ready projects, or should we rely more on what you say is implicit in the President's budget for fiscal 2010?

Mr. SALT. Sir, I believe this is the first time an executive branch proposal for beach renourishment is in a budget in many years. I think it has been a fairly longstanding executive branch policy not to propose beach renourishment. This is first time that we have done that. And the basis for the budget decisions were the storm damage protection that these projects provided.

Mr. BISHOP. I am in full agreement that the storm damage protection that these projects provide ought to be a very high priority. But if you are citing the \$5.8 million for the west of Shinnecock and the Westhampton Dunes project as evidence of the administration's commitment to funding beach nourishment projects, I would suggest that that is not the best evidence we could have because that is a court-ordered process.

And so, again, I will say, absent the court-ordered mandate that the administration fund that project, is there any other reason for us to believe that this administration's policy with respect to beach nourishment is different from the prior administration's?

Mr. SALT. Sir, I would say that all of the beach nourishment and renourishment projects in the budget are evidence of the policy that I am describing.

Mr. BISHOP. Okay. If that is the case, then, can you tell us why the policy decision was made to exclude the shovel-ready beach nourishment projects from the stimulus bill?

Mr. SALT. I think the best I could do on that is that the policy was under discussion during those times. As we worked through that, there were proposals that would include them, and then we ended up not including them in the final recommendation. They were included in the budget, but not in the Recovery Act.

Mr. BISHOP. Okay. But, again—I am sorry, Lieutenant General, did you want to respond?

General VAN ANTWERP. Congressman, I was just going to say—my folks handed me a list—there are seven other projects that are beach renourishment in the fiscal year 2010 budget.

Mr. BISHOP. That is very welcome news. And I am glad to hear that the administration recognizes that these are projects that must go forward in terms of habitat protection, in terms of shoreline protection, and in terms of storm damage mitigation.

Thank you all very much.

And, Madam Chair, I have exceeded my time. Thank you.

Ms. JOHNSON. Thank you very much.

Mr. BROWN?

Mr. BROWN. Thank you, Madam Chair.

And thank you, gentlemen, for your testimony today.

Secretary Salt, if I can begin with you, the administration likes to talk up its commitment to the infrastructure, yet the budget request before us continues to underfund the Corps.

When is the administration going to come to Congress with a proposal to utilize the Harbor Maintenance Trust Fund to do what it was intended to do, to dredge our ports?

Mr. SALT. Sir, I am not sure how to answer that. I think, as in the case of all the others, we try to look at the needs and to put together the budget proposals to fund the highest-priority needs in a way that would allow us to fund those highest-priority needs and include new starts, new construction projects within our available funds.

Mr. BROWN. Are you familiar with the Port of Georgetown in South Carolina?

Mr. SALT. Sir, I am not—I think General Van Antwerp—

General VAN ANTWERP. Yes, sir.

Mr. BROWN. I mentioned in my opening statement the problem we have to obtain funding to continue to operate that port. I noticed in the President's request that he requested \$795,000. You know, you can't bring a rig in there to start dredging for that much. And so that is almost, I guess, a figure that doesn't mean anything, if we are not going to be able to utilize any dredging. In fact, I think the need is something like \$11,300,000. So—when I said \$795,000, I was on the wrong line. It was \$250,000 that they recommended for dredging.

Tell me how we are going to be able to keep that harbor open.

General VAN ANTWERP. Sir, we have a couple issues.

One is that in fiscal year 2008 there was a million dollars appropriated for construction, but no cost-sharing partner was available. So, in accordance with the fiscal year 2009 appropriations, we are going to revoke those funds.

Now, if asked to look at our O&M budget in its entirety and see if there are other available funds, we will do that. We understand the criticality of Georgetown Harbor, I assure you of that.

Mr. BROWN. But I know it is one of those harbors, like we mentioned I guess the other 700 or whatever around the country, that probably doesn't have the ton miles like the Mississippi River does to maintain the dredging, but it is one of those catch-cans. If you don't dredge it, the boats won't come. Right? And if you don't have the tonnage, then you can't afford the dredging. So this is a major concern.

I guess it leads me up to the next question, and you might answer this one, Secretary. Your budget request contains a low commercial use navigation pilot project. Can you go into more details about this proposal?

What will you use the \$1.5 million requested for this project to do? And so, is it the intent to turn the operation and maintenance account into a cost-sharing account like the construction account?

That is a lot of questions in one.

General VAN ANTWERP. They are all good questions, too.

The pilot program is really to look at all the harbors together in a more comprehensive way, to analyze, where do the ships come from? What is needed? Because if you have one harbor that has the depth but the others do not and can't get in there... the pilot is really to look at it as a system. And I think it will reveal where the dredging absolutely has to be done-- it is kind of equalizing the whole system.

Mr. BROWN. So that the cost share is not down the road, you don't think?

General VAN ANTWERP. Not for the study. We will look at it as the dredging goes. Now, if it takes Inland Waterway Trust Fund dollars, that is back to the problem we were discussing earlier on the amount of funds that are in that fund.

Mr. BROWN. I represent most of the coast of South Carolina, and of course the Intercoastal Waterway is a big part of my district too. So my question would be that—and we appreciate this. The stimulus funding spent on the Intercoastal Waterway is much appreciated. We are grateful for that.

However, the budget request continues the recent history of providing the project with little more than caretaker dollars. Does the Corps have an investment strategy for the AIWW, or will budgets continue to do little more than mosquito abatement along what could be a marine highway for the entire East Coast?

And I might add to that, I mentioned a little bit in my opening statement—and my time has just expired. But we have to, in order to get funding to make it workable, we have to get earmarks. And you know the bad word there. And so, maybe could you help us on that.

Madam Chair, if I could just have another 30 seconds?

Ms. JOHNSON. Thank you very much.

Mrs. Napolitano?

Mrs. NAPOLITANO. Thank you, Madam Chair, and to both Mr. Salt and to General Van Antwerp.

I am from southern California, and the Corps owns and operates the Whittier Narrows Dam in my district, which is San Gabriel River, on the rivers. The Los Angeles County Public Works, the Southern California Water Replenishment, and my office have been working with your offices in Los Angeles to update a study for a feasibility for raising two to three feet the conservation pool, costing about \$300,000.

It is only an update of a study which would allow the courts to increase the water level in the conservation pool, thereby capturing additional storm water for up to 2,200 households each year. If the study is not completed, not done, we will continue to lose to that water to the ocean. Of course, as you well know, we are suffering from extreme droughts in southern California, so we would be losing those acre feet.

The study has been held up by the National Dam Safety Review process. Although the court has found no structural problems with the dam, we continue to find stalling, if you will. I would request that you look into the situation and see if we can't get that dam feasibility study completed to increase that water storage capability.

Then the other question would be regarding reuse, recycling, and desalination, all critical to southern California. And to both of you, again, southern California has been adapting for decades now to the shortage of our traditional water resources by tapping into more of our groundwater and alternative water sources.

Could you tell me what role the Corps is playing, will be playing in supporting the recycle, reuse, desal, and other alternative water supply projects to assist in being able to prepare for the continuance of the drought cycle?

General VAN ANTWERP. Well, ma'am, let me talk first about the Whittier issue.

I think the feasibility study did recommend increasing the existing water conservation pool. We owe you a further answer as to where we are headed and how we might move this along.

Mrs. NAPOLITANO. And I still am waiting for an answer.

General VAN ANTWERP. Right. Right. I understand.

On the other part, a lot of the water that is drawn off and used by municipalities is actually replaced back into the watercourse. We have a number of actions to see how we can maximize the use of that. Now, some of it goes for irrigation and other things, but a lot of the water, after it is run through the treatment plants, is put back into the watercourses.

Mrs. NAPOLITANO. Replenishment.

General VAN ANTWERP. Replenishment.

We are not doing a lot, to my knowledge, with desalinization. I think it has possibilities for the future though.

Mrs. NAPOLITANO. Are you also checking out the fourth treatment that is leaving that recycled water cleaner?

And to that point, I would like to ask also, not only you, but Mr. Frumkin, in regard to the meds found in recycled water, what is happening to be able to ensure that people with, say, lower im-

mune systems are not affected, whether it is the children or elderly?

It goes to the subject of the fourth treatment, which supposedly now does clean it to a greater extent to where it not only can be used for commercial and industrial ag uses, but melding very easily with virgin water.

Gentlemen?

Dr. FRUMKIN. We understand the need to balance conservation of water with protection of the users of the water, maintaining the safety and health standards in the water.

I can't speak specifically to the projects in southern California that you referenced. But other parts of our agency are very much engaged with the issue of water safety and reconciling those health and safety needs with conservation needs. I would be happy to provide you with further information, if you would like.

Mrs. NAPOLITANO. Do you have any findings that would indicate whether or not this is adequately addressing the issue of removing those contaminants?

Dr. FRUMKIN. Not that I am aware of. That doesn't mean we haven't, but I just don't know them as I sit here. So I will have to get back to you.

Mrs. NAPOLITANO. I would appreciate it. That is a great issue for us, and I would love to maybe have an opportunity to dialogue with you separately, because those are things that are critical to our area.

There was another question. This one is to Mr. Ruth.

I was born and raised in Texas, so I am very much involved and concerned about the Rio Grande and the fact that, years ago, one of the states in Mexico withheld the water from the dam, from the Rio Grande, because there was a drought. And so, according to the compact that was made on not only the Rio Grande but also the canal—well, the Rio Grande and then the Colorado River water going into Mexico.

Ms. JOHNSON. The time has expired. We are looking forward to multiple votes in about 10 minutes.

Mrs. NAPOLITANO. I will put it in writing.

Ms. JOHNSON. Thank you.

Mr. Olson?

Mr. OLSON. Thank you very much, Madam Chairwoman.

And before I get started with the questions, thank you all for coming and giving us your testimony today. But I would like to identify myself with the comments of our Ranking Member, Mr. Boozman, our freshman colleague, Anh Cao. And thank you, General and all the soldiers—and I see a sailor over there—for your service here in our country and overseas, Iraq and Afghanistan. We couldn't have had the success we have had in those nations without the engineers. And our Army Corps of Engineers, our Navy Seabees, and our Air Force Red Horse are doing an extremely fantastic job over there. And I just wanted to make sure you know that we appreciate what you have done.

I represent the 22nd District of Texas, which is southeast/southwest Houston. So the Port of Houston and Houston Ship Channel is very important to my district. And during the last 5 years, the Federal appropriations have been below the amounts that the

Corps itself has estimated they need for the construction and operations and maintenance accounts of the Houston Ship Channel.

The construction account went down from 100 percent of what the estimate was 5 years ago, now it is down to 40. O&M, from my numbers, were 83 and now they are down to 48. The Port of Houston and the Houston Ship Channel is the second total tonnage port in the United States. It is the first largest port in our country, in terms of foreign tonnage. It serves the second largest petrochemical industry in the United States. And the Coast Guard has estimated that, if the port shut down, it would cost our Nation—our Nation, not just the central part of our Nation, our Nation itself—\$60 billion per month.

And I know that we are in tight years when it comes to the budget and that the Corps has many, many worthy projects. And I want to ask you if using the Harbor Maintenance Trust Fund for its intended account, dredging, will ease the financial burden on the Corps and allow for more projects to be undertaken. And how much would that help if we did that?

Mr. Salt? General?

Mr. SALT. Sir, I am not sure if you are talking nationwide or if you are talking just with Houston. I think that—

Mr. OLSON. Just, I mean, nationwide, how much would that money help? I mean, certainly, we would love to have it all come to Houston, but I am not under any illusions that that is going to happen.

But how much would that—I mean, that trust fund was set up for dredging, and, unfortunately, we have used that money for all sorts of other things. So how much would that help if we actually stuck to our guns and used it for what its intended purpose was?

Mr. SALT. Sir, obviously it would help in dealing with the backlogs in the harbors that we are talking about, yes, sir.

Mr. OLSON. General Van Antwerp?

General VAN ANTWERP. Well, there is, I understand, around \$5 billion or more in the Harbor Maintenance Trust Fund, so it would be very useful.

We did recognize in your particular harbor the very much needed for the United States. And that is why it was included in the Recovery and Reinvestment Act at a level of \$87 million. So it is recognition for that individual port. But I think the Harbor Maintenance Trust Fund, you know, the dollars are there and could be used.

Mr. OLSON. Well, thank you for that, sir. I mean, certainly it is not the—if you had to design a port, having all that silt coming down from the river up above wouldn't be the place to design it. It does need constant maintenance, and we greatly appreciate all you have done there.

I would like to also talk a little bit about the Inland Waterways Trust Fund. The administration's proposal was to increase the trust fund through a lockage fee. And that was mentioned in your testimony, Mr. Salt.

That idea has been rejected by the Congress in the past. And, as I understand it, talking to some of the operators on the inland waterways, the lockage fee could more than double the taxes paid by

the industry and would increase the cost of shipping their commodities.

The Inland Waterways User Board and the Army Corps have been working with the industry to revise the capital projects and the business model to improve construction and funding of prioritized waterways. And do you think it would be more prudent just to wait until they have developed a solution before imposing a lockage fee?

Mr. SALT. Sir, I think we have made a proposal, and we look forward to working with the Congress and the users, as I mentioned in my testimony, as we try and find a solution to this.

I think Congressman Hare mentioned in his testimony in terms of the backlog and the need to find a way to resolve this. I think the administration is committed to trying to find a way, obviously with the Congress and with the affected interests.

Mr. OLSON. Thank you for that answer, sir. I have my doubts about the lockage fee. But, again, I would encourage you to sit down, you know, the users and the Corps and yourself, and try and work out a solution.

And I yield back the balance of my time. Thank you, Madam Chair.

Ms. JOHNSON. Thank you very much.

Ms. Edwards?

Ms. EDWARDS. Thank you, Madam Chairwoman.

And thank you for your testimony today, gentlemen.

Many of us recognize the critical role of the Army Corps in our efforts to address the deep impacts of climate change on so many of our communities and on our waterways, and these all fall under our responsibility. And yet, Mr. Salt, last Congress, your predecessor testified before the Committee's hearing on climate change and suggested that the Corps was undertaking, quote, "risk-based planning" to consider uncertainties such as the effects of climate change on Army Corps projects.

How is the President's fiscal year 2010 request for the response to climate change at Corps facilities similar to or different from what was described to the Committee last Congress?

And I wonder if you could describe in a little bit more detail the practical and consistent and cost-effective approaches and policies that you will now consider under the fiscal year 2010 budget.

Mr. SALT. Ma'am, that is a huge question, and—

Ms. EDWARDS. I know. And we just have 4 minutes, so—

Mr. SALT. Our budget includes a \$5 million new proposal to begin climate change adaptation, to take it out of the thinking about climate change into what are we going to do about climate change.

The near-term opportunities are to deal with our project operations. And we actually have quite a bit of emerging data on areas like change in snow melt rates, the timing and the amounts of snow melts. And so we are contemplating, if Congress appropriates these funds, that we would be able to proceed with pilots that would result in examples of how we would adapt primarily with operations.

As we move beyond that, with sea level rise and the impacts we talked about earlier with some of our coastal issues, with the

changes in our rivers, the impact on our infrastructure, the Corps' infrastructure, is enormous, I think both in terms of the Principles and Guidelines that Congress asked us to work on.

As we consider additional emphasis on this, it is going to be a major part of our policy initiative and budget initiatives probably for the entirety of this administration.

Ms. EDWARDS. And would you say that that is a marked change from what was done by the Corps previously around the areas of climate change?

Mr. SALT. I would say the Corps is one of the leaders in thinking about climate change and doing the analysis. What we are now trying to do is take it from the scientists and move it to the adaptation part of the climate change.

We are looking beyond adaptation, we are looking at modifying Corps projects to be more energy-efficient, less of a carbon footprint. Across the whole spectrum of the climate change issues, I think all of these are important policy initiatives of the administration. And I would look for a growing interest in this area throughout the administration.

Ms. EDWARDS. And so where would you say that the strategy or analysis of using risk-based planning models falls now in the Corps' view about how you are viewing your budget and expenditures for climate change?

Mr. SALT. I want to let the Chief talk about the risk-based approach in the Corps. Basically, you take a look at the various uncertainties, climate change has some huge uncertainties, and so you take those uncertainties, and then you examine the risks across the full spectrum of those uncertainties and then try and come up with an analytical process that allows you to make the best investments as you move forward.

Ms. EDWARDS. General, do you have a comment?

General VAN ANTWERP. Yes, ma'am. I will put it in the context of the levees down in Louisiana. We know that we could expect some sea level rise due to climate change, and so you have to plan that in. If your levee is going to be a 24-foot-high levee to provide 100-year protection, 25 years from now, 50 years from now, that may have to be either reworked several times or you can supercharge it right now and make it so that it will last longer under those conditions.

So that is the risk. And then you, of course, have the cost; with that goes additional costs.

Actually, in Louisiana we are planning for upgrades, the next upgrades of that levee system in the 25- and 50-year mark.

Ms. EDWARDS. Okay.

Thank you, Madam Chairwoman.

Ms. JOHNSON. Thank you very much.

Mr. Ehlers?

Mr. EHLERS. Thank you, Madam Chairwoman.

I have a few questions about the Great Lakes. Obviously, something of a huge concern to the Great Lakes community and particularly the fishing industry and the non-industry fishing is the Asian carp.

What is the status of the barriers? We have been going around and around with you folks for far too long. It seems to me it wasn't

that difficult a construction project. Do you have good news? Are they both finished?

General VAN ANTWERP. They are finished. It is whether or not we can utilize them to their full capacity, because there still is experimenting going on to see its effect on the navigation industry and other things because of the charge associated with the fish barrier.

But they are operating. The fish barriers are complete.

Mr. EHLERS. They are completed, they are operational.

General VAN ANTWERP. To my knowledge. I really need to take that for the record and get back with you on the level of operation of them. But we were operating them below their capacity because you can increase the charge, as I am sure you are aware.

Mr. EHLERS. You mean voltage, not charge.

General VAN ANTWERP. The voltage, right.

Mr. EHLERS. Okay. The replacement lock at Sault Ste. Marie, I understand you are at least moving dirt, or are you further along than that?

General VAN ANTWERP. I am going to have to get back with you on that. I am not sure where we are.

Mr. SALT. Sir, I would tell you that I believe there is a contract this year, on the funds that were provided this year. Because of the benefit-cost ratio for that project, it is not included in the fiscal year 2010 budget.

Mr. EHLERS. It is not included, you said?

Mr. SALT. That is correct, sir.

Mr. EHLERS. I was understanding it was. Well, if you can let me know on that.

The Great Lakes Restoration Initiative, which is the EPA will be in charge of implementing a \$475 million project, does any of that go to the Corps, or are you not involved in that at all?

Mr. SALT. Sir, I am not aware of any of the EPA funds that have been distributed to the Corps. We have contributed our own appropriated funds, including the fish barrier that you mentioned before, towards that. We have just started our discussions with EPA, and I don't know if—I think it is still possible that some of that would come to the Corps, but I don't know that any has been provided to us at this time.

Mr. EHLERS. And, finally, the dredging problem in the Great Lakes. As you know, the commercial shipping has been hampered or they have reduced their loads because they can't get into and out of the harbors. How are you coming along on getting caught up on the dredging?

General VAN ANTWERP. We were able to—under the stimulus package, or the Recovery Act, include \$400 million in there. This certainly wasn't all for the Great Lakes. So we are able to get at some of the more crucial dredging requirements.

And, sir, I do have an update on Sault Ste. Marie. The fiscal year 2009 appropriation was \$17 million. The last event that we have had was awarding the coffer dam contract. They are excavating for that now, and you are absolutely right on that.

Mr. EHLERS. Okay. What is the estimate on how long that will take? Do you happen to know that?

General VAN ANTWERP. Generally, a project of that nature is probably a couple-year project. But there are no fiscal year 2010 funds in the budget. That was correct also.

So the coffer dam normally takes probably a year to year and a half, but there are no funds in fiscal year 2010 for that project. There is a capability of \$123 million.

Mr. EHLERS. Okay. Well, I hope you are able to finish all these before I die. And I am getting fairly old, so I would appreciate speeding it up.

Thank you very much. I yield back.

Ms. JOHNSON. Thank you very much.

I am going to ask Ms. Norton if she will come take charge as we go vote.

But before I leave, I would like to say that I have been a very strong and consistent supporter for flood control for Dallas, Texas. And we ran out of our luck last week and had quite a bit of flooding. Are you aware of that?

General VAN ANTWERP. Yes, ma'am.

Ms. JOHNSON. And I know that we are in the process of trying to move forth a little bit with some of that correction, but I wonder if you could give me any kind of a progress report as for a timetable.

General VAN ANTWERP. Well, one of the things we had last week was a pump failure of a locally operated pump. We are looking at whether we can use some of our emergency funds to assist in getting that back online for the next event.

As we looked at the Trinity Flood Control project—is that your question, ma'am? Along there? There are a couple of milestones, and I reviewed them today. And on Thursday afternoon we are going to meet with you. I think General Cox will meet with you, unless you can make the 2 o'clock meeting.

We have a mark on the wall for April 20, to make the decision whether or not it is feasible to have the tollway inside of the levee system or on the northern levee system. So we have a way ahead. We are working with the local authorities. And I think it is a good plan. We will lay the timetable out on Thursday.

Ms. JOHNSON. Thank you very much.

I will mail out some of the questions that I have.

I am going to turn it over to Ms. Norton so we can go vote.

Ms. NORTON. [Presiding.] I thank you, Madam Chair. And I am just going to sit here to ask what I hope will get us simply a verification of a matter.

We have always worked very closely with the Corps and very much appreciate the work you have done here. Of course, that work tells us a lot about pre-home rule in the District, because much of the infrastructure, for example, the sewer and water infrastructure—and the Corps is deeply involved in even home rule in the District of Columbia.

One way has to do with the FEMA maps, where the Corps had been using a temporary structure rather than levees, because the Federal presence at the Mall is in a flood plain. Now, the Federal Government—one part of the Federal Government tells the other part of the Federal Government—I guess it is Mr. Salt—one part

tells the other, "You have to put real levees in here," and all agreed that that would be done.

I am writing because the city informs me that, while they were forced to begin some work by FEMA, and although this project was quintessentially shovel-ready, that it hasn't been identified by the Corps for work, although I can't think of a more classic stimulus. In any case, I don't care where the money comes from.

We have searched your budget, and I simply want verification that what we have found, which is \$6.79 million I believe, is for Federal responsibility and you are accepting Federal responsibility for this Federal project in the middle of the worst downturn.

Obviously, the District would not have gone forward since only a tiny, tiny fraction of what is not in the Mall, where we have few homeowners, is all Federal stuff. I just want to—when I saw that, particularly given the fact that the District still thought that it was on the hook and I was advising it, "Maybe you ought to stay on the hook," rather than simply proceed to do the work of the Federal Government as to who is the only—the only entity I know that can write a check these days is the Federal Government. So then we said, "Let's do our homework," because that didn't sound like the Army Corps to just leave us out here stranded.

Is this D.C.—it is called D.C. Flood Protection Project \$6.79 million for the full cost of the levee project mandated by the new FEMA maps?

General VAN ANTWERP. That will get us to the 100-year protection, or what we call 1 percent. So it does qualify.

One of the things—the FEMA maps are going to be updated in November. So what we are looking at with the District is to sign a Memorandum of Agreement which will allow them to start on the design. And we think this probably has to be between the Park Service, the city, and the Corps.

Ms. NORTON. Yes, because they did a design on their own dime. And I take it they will be reimbursed. Because then the Corps and the Park Service said, we would like a more expensive version. And apparently some of that work has to, therefore, be done again.

So I take it that the District will be—I think they may have spent as many as \$2.5 million—that they will be reimbursed for that expense.

General VAN ANTWERP. Right. And that is what the memorandum would do. It would allow them to go ahead so that work is started, so that, as I understand it, that then FEMA can allow no additional flood insurance. Even though it is not finished, it is started. That is what the Memorandum of Agreement will address. We are working with the city and the Park Service to get that done.

Ms. NORTON. Because they will then have assurance that the work will continue because the Corps is going to pick up the cost.

And to the extent that the District has put out any money on threat from FEMA, they—and that is why I look at this \$6.79 million, which is a little more than I expected. That is because the District has had to do some outlay in the meantime. Is that correct, sir?

General VAN ANTWERP. Right. And that is all-inclusive and will bring this to the 100-year protection, that \$6.79 million.

Ms. NORTON. Well, the District has put out money on its own that it would—on a Federal project. I am just trying to understand whether this—

General VAN ANTWERP. It will be a reimbursement.

Ms. NORTON. Thank you.

General VAN ANTWERP. Right, right. It will be a reimbursement. And that is what the memorandum will do, is create the conditions of that reimbursement.

Ms. NORTON. All right. This is a hearing very much worth attending, because you made me do my homework. I came thinking I am going to have to ask my friends from the Corps how could they do that to us.

And I have come on behalf of our own city and, if I may say so, the 20 million visitors who come every year and the 200,000 Federal workers who work here, on behalf of all of them, I appreciate that the Corps has stepped forward on this important matter. Thank you very much.

And the hearing is now adjourned.

[Whereupon, at 4:37 p.m., the Subcommittee was adjourned.]



**OPENING STATEMENT OF
THE HONORABLE RUSS CARNAHAN (MO-03)
HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE
WATER RESOURCES AND ENVIRONMENT SUBCOMMITTEE**

Hearing on

Agency Budgets and Priorities for FY 2010
Wednesday, June 3, 2009 10:00
2167 RHOB

I would like to begin by saying thank you to Chairwoman Johnson and Ranking Member Boozman for holding today's hearing on the Administration's budget proposal for fiscal year 2010 as it pertains to the agencies under the jurisdiction of the subcommittee. Today we will have the pleasure of hearing testimony from the Environmental Protection Agency, the Natural Resources Conservation Service, the Saint Lawrence Seaway Development Corporation, the National Oceanic and Atmospheric Administration, and the Tennessee Valley Authority.

I would like to first thank the various agencies represented here today for taking the time to meet with us. It is through the efforts of you and your colleagues that the American people are able to enjoy clean and secure natural resources while ensuring that their children will be able to enjoy the beauty of America's diverse landscape for generations to come.

This budget request represents, in my opinion, this Administration's stance on the environment; one that invests in its long term wellbeing in a fiscally sustainable manner. It is my belief that through the preservation of our nation's rivers, streams and lakes, we can ensure the health and safety of the American people.

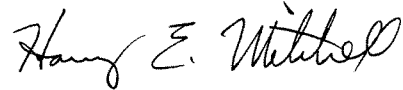
In particular, this budget marks highest level of funding for the Environmental Protection Agency in its nearly four decades of existence; an increase of \$2.9 billion from last year's appropriation of \$7.6 billion. What caught my eye when I initially read the budget was the huge steps the Administration is taking towards clean water funding. The FY2010 budget over triples the amount of money appropriated to this program which is essential to our nation's waterways.

Additionally, the Administration's proposal to invest \$475 million in the "Great Lakes Restoration Initiative," which will take proper measures to ensure that the Great Lakes are suitably maintained so that they will be able to continue to provide for the economy and welfare of the American people as they have for hundreds of years.

Although, overall I am impressed by the budget put forward by the Administration, I must point out one area of concern to me. Specifically, I am concerned about the six percent cut from the Army Corps of Engineers budget from fiscal year 2009, specifically in the areas of investigation and construction. I view this as an essential environmental program. The Army Corps of Engineers is an important part of creating new and

significant water resource projects and by underfunding their ability to research and build such projects, we risk missing out on opportunities to create potentially groundbreaking advances in water related engineering.

With that being said, I do believe that the Administration is making good with their promise to invest in our environment. Thank you all again for attending today's hearing and I looked forward to hearing your testimony.



Statement of Rep. Harry Mitchell
House Transportation and Infrastructure Committee
Subcommittee on Water Resources and Environment
6/3/09

--Thank you Madam Chairwoman.

--Today we are examining the President's budget request for the Environmental Protection Agency's (EPA) Superfund Program, a program that has been very much on the minds of my constituents since last year.

--They, like me, have been concerned about the North Indian Bend Wash Superfund site in Scottsdale, which, last year, experienced a terrible failure.

--Residents were informed that they had been exposed to water containing more than four times the permissible concentration of trichloroethylene, "TCE", a suspected cancer causing chemical.

--A 3-day tap water ban was put into effect. Residents began lining up for bottled water, and businesses began scrambling for ice.

--Even more disturbing, the source of the emission was the same facility that was found to have emitted impermissibly high levels of TCE for a period of 8 days just 3 months earlier.

--I have been working closely with the EPA on this issue since it first arose, and while interim steps have been taken to remove the immediate threat, we are still awaiting a permanent, long term solution.

--As we consider the President's budget request for the EPA Superfund Program, I hope we will provide it with the resources it needs to resolve this long vexing problem.

STATEMENT OF
BARRY BREEN
ACTING ASSISTANT ADMINISTRATOR
OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE
U.S. ENVIRONMENTAL PROTECTION AGENCY
BEFORE THE
SUBCOMMITTEE ON WATER RESOURCES
AND ENVIRONMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES

JUNE 3, 2009

Madam Chairwoman and Members of the Subcommittee, I am Barry Breen, Acting Assistant Administrator of the Office of Solid Waste and Emergency Response (OSWER), U.S. Environmental Protection Agency (EPA). Also appearing today is Mr. Michael Shapiro, Acting Assistant Administrator for EPA's Office of Water. We are pleased to be here to discuss President Obama's Fiscal Year (FY) 2010 budget request for EPA and our views on Clean Water Act programs, Superfund, brownfields, and other programs that fall within the Agency's Offices of Water and Solid Waste and Emergency Response.

The President requests \$10.5 billion for FY 2010 to carry out EPA's mission to protect human health and safeguard and improve the environment. This budget represents a 37 percent increase over our FY 2009 Budget -- the highest level ever for EPA. It reflects both the challenges and promise we face in an era of higher energy costs, global climate change, and economic crisis. We recognize that now is the time to make the environmental investments to support a cleaner energy economy and a more sustainable future.

This budget starts the work needed to transform our economy through investment in cutting-edge green technologies, repairing crumbling infrastructure and strengthening our core regulatory and scientific capabilities to make the Nation's water, air, and land cleaner for our communities, families, and children. This budget keeps EPA on the job protecting the environment. It helps states, tribes, and local governments stay on the job by providing critical partnership assistance and helps put Americans back on the job.

Brownfields and Land Revitalization

Brownfields cleanup and redevelopment continues to be one of the Administration's top environmental priorities. The President's FY 2010 budget request provides \$174.7 million for the brownfields program, including \$87 million to fund brownfields program assessment, cleanup, revolving loan fund, and job training grants. The budget request will fund 110 assessment grants, 101 cleanup grants, 7 revolving loan fund grants, and 13 job training grants. In FY 2010, brownfields grantees are expected to assess 1,000 properties, clean up 60 properties, leverage 5,000 cleanup and redevelopment jobs, and leverage \$900 million in cleanup and redevelopment funding.

EPA will continue its land revitalization initiative which includes all of EPA's cleanup programs as well as partners at all levels of government and in the private and non-profit sectors. The goal of land revitalization is to restore our nation's contaminated land resources and enable America's communities to safely return these properties to beneficial economic, ecological, and societal uses. EPA is ensuring that cleanup programs protect human health and the environment;

and also is ensuring that the anticipated future uses of these lands are fully considered in cleanup decisions.

Experience has taught us that one of the best ways to clean up contaminated sites and to address blighted properties in communities is to expressly consider the future uses of this land. By incorporating “green” and sustainable approaches into brownfields redevelopment, we can further increase the environmental benefits from land revitalization.

Superfund

The Superfund program continues to protect human health and the environment by cleaning up uncontrolled hazardous waste sites and conducting actions to mitigate immediate threats to human health. This program also works with both public and private partners to encourage reuse and redevelopment of Superfund sites. The President’s budget provides \$1.3 billion for the entire Superfund appropriation to continue the progress we are making cleaning up contaminated sites. The budget request maintains Superfund remedial cleanup funding at essentially the same level as enacted in FY 2009.

In general, before or during long-term remedial action, the Superfund program often completes removal actions to mitigate immediate health threats at sites prior to completion of investigations and the start of long-term cleanup construction. For example, where EPA determines that existing water supplies are unsafe due to releases from contaminated sites, we can provide alternative sources of drinking water. To date, EPA has provided more than two million people near these sites with alternative sources of drinking water. Similarly, through

removal actions, the Superfund program controls exposure to hazardous substances so human health is protected while long-term clean up is underway. The Superfund removal and emergency response program conducted more than 300 EPA-lead and responsible party removal cleanup actions in FY 2008 and to date has completed approximately 10,000 removals to reduce the immediate threat to human health and the environment.

Protecting human health and the environment in the long-term remains central to the Superfund program. During FY 2008, EPA continued work at 681 construction projects at 423 National Priority List (NPL) sites and completed all remedy construction at 30 sites throughout the country. As of the end of FY 2008, cleanup construction had been completed at 1,660 NPL sites, which represents 66 percent of sites listed on the NPL. In addition, EPA controlled all identified unacceptable human exposures at 24 sites, exceeding the Agency's annual goal of 10, and controlled the migration of contaminated ground water through engineered remedies or other processes at 20 sites, exceeding the Agency's annual goal of 15.

The Superfund program also continues to prepare for future cleanup efforts and in FY 2008 the Agency listed 18 new sites on the NPL and proposed an additional 17 new sites. In addition, EPA completed the 40,000th Final Assessment Decision (FAD) under the Superfund program in April 2008, one of the 415 FADs completed by EPA and its partners during FY 2008. A FAD indicates the completion of all Superfund remedial assessment work at a site and that EPA has the information necessary to determine whether the site poses a risk to human health or the environment that needs to be addressed through federal or state cleanup programs.

While the Superfund remedial program continues listing sites on the NPL and moving projects through the program's cleanup stages to completion, there has been increasing emphasis on post-construction activities that help ensure long-term protection of human health and the environment. EPA's construction completion measure, developed nearly two decades ago to measure interim progress in the Superfund program, continues to be a measure to assess program progress, but it does not necessarily measure the achievement of long-term protection. As the Superfund program has evolved, EPA has looked for additional ways to assess program progress and keep the public informed about site cleanup milestones.

To better measure long-term progress, EPA adopted a Site-Wide Ready for Anticipated Use measure in 2006. This measure tracks the number of NPL sites where the remedy is constructed (construction completion) and all of the protective measures, including institutional controls, are in place to ensure long-term protection of human health and the environment and provide for reasonably anticipated future uses of the site. EPA expects to make at least 65 sites ready for anticipated use in FY 2010. While there are more than 500 NPL sites with some measure of beneficial use, as of the end of FY 2008, there were 343 sites that achieved the Site-Wide Ready for Anticipated Use measure, thus providing beneficial uses to local communities and opportunities for development and job creation.

Finally, EPA has continued its effort to efficiently utilize every dollar and resource available to clean up contaminated sites and to protect human health and the environment. In FY 2008, EPA obligated nearly \$462 million of appropriated, state cost-share, and potentially responsible party settlement resources to conduct cleanup construction and post-construction

work at Superfund sites, which included more than \$55 million to begin construction at 16 new Superfund projects at 15 NPL sites.

Homeland Security, Emergency Preparedness and Response

EPA's Homeland Security Emergency Preparedness and Response program will continue to develop and maintain an Agency-wide capability to respond to incidents of national significance with emphasis on those that may involve Weapons of Mass Destruction (WMD). EPA is the lead federal agency under the National Response Framework for Emergency Support Function (ESF) #10, which addresses Oil and Hazardous Materials, and works with other agencies to provide support for a number of other Emergency Support Functions, including ESF #3, which addresses Public Works and Engineering.

The \$53.5 million FY 2010 budget request for our Homeland Security Emergency Preparedness and Response program will continue to concentrate on key areas including laboratory and decontamination capabilities. The Homeland Security Environmental Response Laboratory Network (ERLN) will continue to improve coordination among existing laboratory networks and expand laboratory chemical warfare agent capability and capacity programs at the Federal and state levels. This request will also help strengthen the Agency responder base through training and exercise opportunities for Response Support Corps and Incident Management Team volunteers as well as the base response workforce, and pre-deploy agency assets to national security special events.

Oil Spill Program

EPA's oil spill program is designed to protect inland waterways through oil spill prevention, preparedness, and enforcement activities associated with the more than 600,000 non-transportation related oil storage facilities that EPA regulates.

The President's FY 2010 budget request provides \$18.4 million for EPA's oil spill program. Our oil spill program focuses on preventing oil spills from occurring, reducing the risk of hazardous exposure to people and the environment, and responding to spills when necessary. EPA and the U.S. Coast Guard evaluate thousands of spills annually to determine if assistance is required. On average, EPA either manages the oil spill response or oversees response efforts of private parties at approximately 250 to 300 sites per year.

Conclusion

EPA will continue to protect human health and the environment by requiring responsible parties to clean up hazardous waste sites and looking for ways to improve Superfund and brownfields program efficiency and effectiveness. I look forward to continuing to work with the Committee to address the Superfund and brownfields programs, and other programs entrusted to the Office of Solid Waste and Emergency Response. The President's budget request for EPA will help ensure that we are able to accomplish the Agency's important mission - - to protect human health and safeguard and improve the environment.

WRITTEN STATEMENT OF
JOHN H. DUNNIGAN
ASSISTANT ADMINISTRATOR
NATIONAL OCEAN SERVICE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE
1305 EAST-WEST HIGHWAY
SILVER SPRING, MD 20910
301-713-3074

OVERSIGHT HEARING ON
NOAA BUDGET AND PRIORITIES FOR FY 2010

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

JUNE 3, 2009

Mr. Chairman and Members of the Subcommittee, thank you for inviting me to appear today to discuss FY 2010 budget request plans and priorities for National Oceanic and Atmospheric Administration (NOAA) programs of interest to this Subcommittee. My name is Jack Dunnigan and I am the Assistant Administrator for NOAA's National Ocean Service.

At NOAA, we work to protect the lives and livelihoods of Americans, and provide products and services that benefit the economy, environment, and public safety of the Nation. Today, I will highlight programs that help fulfill NOAA's responsibilities for understanding, protecting and restoring coastal and marine resources. Before I discuss the details of our FY 2010 budget request, I would like to briefly highlight some of NOAA's notable successes from the past fiscal year (2008).

FY 2008 ACCOMPLISHMENTS

Critical Information and Support Before and After Hurricanes

The 2005 Hurricanes, Katrina, Rita, and Wilma, taught us many lessons that have helped improve our responses to such disasters. In 2008, we experienced another active hurricane season with Hurricanes Gustav and Ike impacting the Gulf Coast States of Texas, Louisiana, Alabama and Mississippi. NOAA again responded immediately:

- The National Geodetic Survey provided more than 6,600 color aerial images, aiding emergency responders of all types to save lives and make crucial assessments as well as prompting over 32 million views/downloads of NOAA hurricane damage assessment imagery over the last 12 months;

- The Office of Coast Survey's Navigation Response Teams surveyed waterways for obstructions, facilitating the delivery of relief supplies and resumption of maritime commerce; and
- Four of NOAA's new hurricane hardened "Sentinels of the Coast" tide stations in NOAA's National Water Level Observation Network (NWLON) provided real time storm tide data throughout the hurricanes and provided emergency responders with real time data for nautical charting and recovery.

NOAA assets continue to support the impacted areas with the removal of thousands of vessels, drums, tanks, cylinders, and other potentially hazardous containers in marshes and along shorelines. NOAA is also working to provide accurate geodetic height information for hurricane prone areas. Accurate land and water level heights are important for determining effective highway evacuation routes, levee heights, storm surge modeling, flood plain mapping, sea level rise calculations, vessel under-keel and bridge clearance, subsidence monitoring, and restoration of coastal habitats. I will discuss an important related FY 2010 budget increase for improving geodesy and heights later in my testimony.

Office of Response and Restoration

Federal, state, and local agencies rely on NOAA's support in oil and chemical spills and other emergencies that threaten life, property, and natural resources. Our interdisciplinary scientific response team provides the U.S. Coast Guard and other response agencies with the best scientific information to prepare for and respond to spills. NOAA forecasts the movement and behavior of spilled oil and chemicals, evaluates the risk to natural resources, and recommends cleanup actions. NOAA is on call 24/7 and is able to provide scientific support within 15 minutes of notification of a spill and to respond on scene within 4 hours of notification of a spill. NOAA's expertise is critical to making science-based response decisions that prevent further harm, restore adverse impacts to natural resources, and promote effective planning for future incidents.

NOAA's Office of Response and Restoration (OR&R) provided scientific response to two significant spills in FY 2008: The *Cosco Busan* in San Francisco Bay and the New Orleans barge collision of the "DM932" on the Mississippi River. In both cases NOAA scientists provided trajectory predictions, prioritized cleanup activities, performed injury assessment and initiated restoration planning. OR&R also worked with the National Ocean Service's International Program Office, and National Marine Fisheries Service's Restoration Center to support the Republic of Korea in their assessment and restoration planning activities after the 3.3 million gallon *Hebei Spirit* oil spill in December 2007. This was the largest spill on record in South Korea.

As a natural resource trustee, NOAA regional coordinators, scientists, and economists work in partnership with government agencies, the public, and industry to assess the impact to NOAA trust resources from oil and hazardous materials releases. They also plan and implement restoration at these same sites. In FY 2008, OR&R scientists worked with the National Marine Fisheries Service's Restoration Center, the NOAA Office of General Counsel, and co-trustees in the State of Washington and the US Fish and Wildlife Service to secure a \$12.9 million settlement for restoration in the Hylebos Waterway, one of the major waterways in

Commencement Bay, which serves as the harbor for Tacoma, Washington, and is located at the southern end of Puget Sound. Those responsible for the contamination will also construct a wetland restoration project on Hylebos Creek, which will enhance and restore salmon spawning and rearing habitat, restore riparian vegetation and provide habitat for birds. These settlements will be used to further NOAA's long term strategic vision for watershed restoration in Puget Sound.

The NOAA Marine Debris Program began the first series of forums and workshops on efforts, technologies and resources to address marine debris in U.S. waters in 2008. They also chaired the Interagency Marine Debris Coordinating Committee in the submission of a Report to Congress on Marine Debris Sources, Impacts, Strategies and Recommendations. New Fishing for Energy Project partnerships with Covanta Energy Corp, National Fish and Wildlife Foundation, and Schnitzer Steel were developed and implemented to provide a no-cost incentive to the fishing community to dispose of their old and derelict gear which is then turned into energy. The 2008 effort took place on the east coast of the US, and estimates indicate that for every one ton of nets processed, enough electricity is created to power one home for 25 days.

Harmful Algal Blooms and Hypoxia

Harmful algal bloom (HAB) and hypoxic events (i.e., severe oxygen depletion) are some of the most complex phenomena currently challenging the management of aquatic and marine ecosystems. Impacts have affected almost every coastal state, including the Great Lakes, and have included the devastation of important coastal habitats, loss of economically and culturally vital shellfish resources, illness and death in populations of protected marine species, and serious threats to human health. The occurrence of HABs has expanded to all coastal states and more than 60 percent of the estuaries in the U.S. now experience hypoxia on a seasonal or chronic basis. In FY 2008, two intense and widespread harmful algal bloom events occurred along the eastern Florida coast and along the Florida Panhandle extending into coastal regions of Alabama and Mississippi. Both events necessitated the closure of shellfish beds, and were implicated in numerous respiratory distress reports and fish mortality events. Four additional harmful algal blooms, with associated public health impacts, were also identified and monitored along the southwest Florida coast and in the Florida Keys region. The combined extent of these harmful blooms impacted more than 55 percent of the coastal counties located in the eastern Gulf of Mexico and east coast of Florida. These events were monitored by NOAA's Harmful Algal Bloom Operational Forecast System and reported to the public in bulletins on a bi-weekly basis.

NOAA's mandate to address national issues related to HABs and hypoxia in the Nation's coastal waters is primarily provided by the Harmful Algal Bloom and Hypoxia Research and Control Act of 1998 (HABHRCA). In 2008 NOAA led the interagency efforts and submitted to Congress the last three interagency reports mandated by HABHRCA. These reports assessed marine and freshwater HABs, described federal research programs, and recommended new strategies for management and response. NOAA research and leadership were instrumental in the development of the 2008 Gulf Hypoxia Action Plan which was signed by federal and state members of the Mississippi River Gulf of Mexico Watershed Nutrient Task Force. The Action plan calls for reductions in both nitrogen and phosphorus loadings to the Gulf to reduce the size of the hypoxic zone.

In addition, in 2008 NOAA:

- provided the first-ever seasonal HAB forecast in the Gulf of Maine;
- developed a rapid, simple, and inexpensive test for one of the major HAB toxins that accumulate in shellfish;
- completed a first-of-its-kind analysis of California's sea lions poisoned during pregnancy from the algal toxin domoic acid;
- trained scientists from the Korean National Fisheries Research and Development Institute to conduct sensitive analytical methods for domoic acid detection in phytoplankton and seawater; and
- developed a technique that will improve understanding of the fish killing behavior of some dinoflagellates in the Chesapeake Bay and other coastal areas, leading to better predictions and management of fish kill events.

In coordination with our federal partners, NOAA has made considerable progress in the ability to detect, monitor, assess, and predict HABs and hypoxia in coastal ecosystems. This progress has been accomplished through a mix of extramural and intramural research, long-term regional ecosystem-scale studies supported by short-term targeted studies, collaborations between academic and federal scientists, and multiple partnerships with federal, state and tribal managers. These advances are helping coastal managers undertake short- and long-term efforts to reduce, and ultimately to prevent, the detrimental effects of these phenomena on human health and valuable coastal resources.

Invasive Species

NOAA made progress in reducing the impacts of invasive species and preventing new species invasions. In FY 2008 NOAA:

- Improved understanding of the ballast water management practices of ships with ballast and No Ballast On Board (NOBOB) and identified a number of procedures that can further increase the effectiveness of these practices against invasive species in the Great Lakes and other areas;
- Partnered with other agencies and the private sector to initiate the "Habitattitude" public awareness campaign, to reach millions of aquarium and water garden hobbyists and vendors with an invasive species message;
- Made progress in documenting the status and trends of invasive Indo-Pacific lionfish populations and in determining possible ecological impacts and established an early detection/rapid response program to prevent future invasions of marine ornamental fish in South Florida and Caribbean coral reef ecosystems;
- Collaborated with tribal agencies to increase capacity to detect and monitor the arrival and dispersal of non-indigenous species in Oregon estuaries and partnered with the State of Hawaii Department of Interior at the Papahānaumokuākea Marine National Monument to identify, prioritize, and implement management actions for invasive species;
- Integrated NOAA's National Benthic Inventory (NBI) web site (a quantitative database on distributions, abundances, and diversity of benthic species) with US Geological Survey's nonindigenous aquatic species database to expand coastal managers' knowledge of the distribution of native and non-native aquatic species;

- Initiated the development of a regional strategic plan to address the increased threat of aquatic invasive species that may result from trade associated with the 2004 Central America-Dominican Republic Free Trade Agreement; and
- Determined invasive tunicate species are fouling shellfish aquaculture operations along much of the US East Coast, causing decreased growth rates, increased mortality and high maintenance costs.

Ballast water is a significant pathway for the introduction of aquatic invasive species into coastal waters and the Great Lakes. NOAA recognizes its responsibilities to develop new ballast water treatment technologies. Using test and development data generated by a NOAA research grant, NEI Treatment Systems LLC became the first ballast water treatment technology to receive a 'Type Approval Certificate of Ballast Water Management System' from the International Maritime Organization, under the new ballast water convention.

In 2008, the St. Lawrence Seaway management agencies added saltwater flushing to their regulations for Seaway entry. This was a direct transition of NOAA's NOBOB research into operations (regulations). It forms the basis for the present U.S. and Canadian ballast management regulatory structure for the Great Lakes. The Great Ships Initiative research facility in Superior, WI also became operational in 2008. This collaborative research and development facility, supported by NOAA, provides research capabilities at bench, land and shipboard scales to accelerate research, development and implementation of effective ballast treatment systems for ships that visit the Great Lakes from abroad.

NOAA is leading research and monitoring to understand the consequences of the recent Indo-Pacific lionfish invasion in the southeast Atlantic shelf of the United States through its National Centers for Coastal Ocean Science (NCCOS). NOAA plans to continue research and monitoring to help elucidate the impacts as well as expand efforts to include public education and outreach directed in particular to anglers, scuba divers, and the health care community. NCCOS is also supporting efforts by NOAA's Chesapeake Bay Office to assess environmental, economic, and human health risks of introducing the non-native asian oyster (*Crassostrea ariakensis*) into the Chesapeake Bay and supporting a research based effort to demonstrate that green crabs on the west coast might be effectively controlled locally by intensive trapping techniques.

Coastal Nonpoint Pollution

NOAA has invested in monitoring, research, and modeling to support state nonpoint pollution source management programs. We believe it is important to link coastal growth and development management with water quality protection by fostering a greater emphasis on community development and planning efforts to address growth issues in a sustainable manner. Existing Coastal Zone Management Act funding mechanisms can be used to support these efforts.

During FY 2008, NOAA, working with EPA and other partners, began developing "Smart Growth for Coastal and Waterfront Communities," to guide communities on ways to develop that are compatible with their traditional assets, while expanding economic opportunity, protecting public health and the environment, and creating great places for residents, visitors, and

businesses alike. Together, NOAA and EPA also fully approved South Carolina's and Florida's Coastal Nonpoint Pollution Control Programs, which are backed by enforceable authorities, to implement a suite of management measures that will control coastal runoff.

Through the Coastal Zone Management Program, NOAA works with state partners to ensure development is planned and sited in a sustainable manner to protect water quality and other coastal resources. In FY 2008, with support of CZM funding, Rhode Island's Coastal Management Program developed a "Coastal Greenway" as part of its Aquidneck Island Special Area Management Planning effort to guide development and redevelopment of the western side of Aquidneck Island. The Greenway will preserve and restore natural shoreline vegetation while providing storm water control benefits and public access.

NOAA's National Estuarine Research Reserves System (NERRS) continues to collect long term monitoring data that serves as a valuable data set for nonpoint source pollution research. The NERRS System Wide Monitoring Program tracks short-term variability and long-term changes in estuarine waters to understand how human activities and natural events can change ecosystems. It provides a valuable long-term, consistently collected data on water quality and weather at frequent time intervals. Coastal managers use this monitoring data to make informed decisions on local and regional issues, such as "no-discharge" zones for boats and measuring the success of restoration projects.

Through the Coral Reef Conservation Program (CRCP), NOAA is providing specialized assistance to coastal managers and other stakeholders to enhance the effectiveness of local management and planning for addressing land-based sources of pollution that threaten coral reefs ecosystems. In FY 2008, the CRCP held training in Guam to improve watershed management efforts and provided technical guidance on implementing better site design practices to control polluted runoff and Initiated Watershed Pilot Projects in St. John, USVI and Puerto Rico through a collaborative effort of multiple local and Federal agencies, community groups, and other local stakeholders.

Navigation and Positioning

NOAA's Mapping and Charting Program is carried out by the Office of Coast Survey, which has a long history of supporting and facilitating maritime commerce. NOAA is responsible for surveying and charting U.S. and territorial waters to the limits of the Exclusive Economic Zone (EEZ), an area of about 3.4 million square nautical miles (SNM). Over 500,000 SNM of this area is considered navigationally significant; it is this area that has become NOAA's primary survey priority. On average NOAA can survey roughly 3,000 SNM a year.

NOAA's Center for Operational Oceanographic Products and Services provides tide and current data, products and services that support safe and efficient marine navigation, emergency response efforts, storm surge and tsunami warnings and forecasts, long-term sea level rise monitoring, marine boundary determination, habitat restoration, coastal zone management and other NOAA strategic mission goal outcomes. In FY 2008, NOAA installed four new Physical Oceanographic Real-Time Systems (PORTS[®]) in Pascagoula and Gulfport, Mississippi; Sabine-Neches, Texas; and Cherry Point, Oregon. By the end of FY 2009, NOAA will have a total of 20 systems nationwide, with systems added in Lake Charles, and New Orleans Louisiana. PORTS[®]

support safe, cost-efficient marine transportation by providing accurate real-time oceanographic and meteorological data. A 2007 economic study revealed that the Houston Galveston Bay economy receives more than \$15 million a year in benefits from the operation of its PORTS[®], and that groundings were reduced by over 50 percent. NOAA also operates over 200 NWLON stations, with a number of stations being hardened along the Gulf Coast so that real time data is available when most needed. Four NWLON stations, called Sentinels of the Coast, were designed and constructed on single pile platforms to withstand category 4 hurricanes and went operational just in time for Hurricanes Gustav and Ike.

Precise positioning is needed for the safe navigation of our waterways, roads and air space. NOAA's National Geodetic Survey maintains the National Spatial Reference System (NSRS), which provides the foundation for transportation; mapping and charting; and a multitude of scientific and engineering applications. NOAA provides many models and tools that allow the public to obtain highly accurate positions relative to the NSRS. In 2008, NOAA registered the one millionth use of the Online Positioning User Service (OPUS) after only six years of OPUS operation. OPUS allows users, such as professional surveyors, to submit their GPS observations to NOAA, where the data is processed to determine a position using the NGS-managed and maintained continuously Operating Reference Station (CORS) network. A 2009 socio-economic scoping study estimated the \$758 million in estimated annual benefits from the OPUS and the CORS network.

FY 2010 BUDGET REQUEST

Office of Response and Restoration (OR&R)

The FY 2010 request of \$19.1 million will support planned OR&R activities and is a program change of an additional \$1.4 million. These additional funds will enable NOAA to develop innovative tools and techniques to increase effectiveness of spill response. These funds will be focused particularly on developing a three dimensional modeling capability to predict contaminant movement in the environment. The FY 2010 President's request will enable NOAA to support natural resource damage assessment, coastal protection and restoration, and emergency response activities, and will ensure that NOAA continues to meet its responsibilities under Comprehensive Environmental Response, Compensation, and Liability Act and the Oil Pollution Act.

In FY 2010, NOAA will continue its focus on the Nation's capability to respond to oil and hazardous substance releases through the most cost effective methods. NOAA will increase pre-spill and post-spill planning and coordination and training for national preparedness and response, develop tools and techniques to improve response efficiency, increase scientific accuracy, and decrease harm to life, property, and the environment. Funding in FY 2010 will continue to support damage assessment and restoration efforts for sites around the Nation and enable NOAA to continue to provide technical assistance, training, and support to states and communities to strengthen local and regional capabilities to restore or redevelop contaminated sites.

Harmful Algal Blooms and Hypoxia

In FY 2010, NOAA requests \$8.9 million for external research to maintain NOAA's longstanding investments in research to develop HAB and hypoxia ecological forecasting and response capabilities. These efforts are conducted through NOAA's competitive research programs, which have a proven track record of developing the understanding and tools necessary for managers to respond to and predict HAB and hypoxia events that now occur in all coastal areas. NOAA's FY 2010 request includes funding that will:

- 1) help to maintain and strengthen the suite of NOAA competitive, peer-reviewed programs focused on HAB and hypoxia research;
- 2) accelerate the development and transition to operations of tools and forecasts for the prediction, control, and mitigation of HABs and hypoxia;
- 3) facilitate the assessment of and response to HAB and hypoxia events; and
- 4) help to deliver the biological components key to making developing regional ocean observing systems relevant to coastal resource and public health managers.

In addition, the FY 2010 President's Request includes an increase of \$2.7 million to develop and implement operational HAB forecasts by creating a national system of forecasts and a national HAB event response capability. The funds will build on the capabilities developed through the current operational forecast system for the eastern Gulf of Mexico. The forecast system will be a collaborative effort among several NOAA offices, along with state, local and federal management agencies, and the research community. This system will be implemented regionally starting with the western Gulf of Mexico (operational in 2010), the lower Great Lakes (operational in 2011), the Gulf of Maine (operational in 2012), California (operational in 2013), and the Pacific Northwest (operational in 2014), and will provide twice weekly comprehensive forecasts and support. The HAB forecasts and associated models, data, and analysis will permit coastal managers and emergency responders to make sound decisions on reducing the direct human health risk, protecting shellfisheries and shellfish industries through timely changes in management strategies, and reducing economic loss by designing mitigation strategies that are not possible without advance planning.

Aquatic Invasive Species

The FY 2010 President's budget requests a total of \$2.7 million for ongoing aquatic invasive species research. NOAA requests funding to continue our work to prevent the spread of invasive species through efforts of the Aquatic Invasive Species Program (AISP), Sea Grant, the Great Lakes Environmental Research Lab (GLERL), and NCCOS.

Of this funding request, \$1.6 million would support GLERL's research on prevention and control of invasive species from ballast water introductions and modeling the impacts of invasive species on the Great Lakes food web. GLERL's No Ballast on Board (NOBOB) research led to the passage of U.S. and Canada regulations of NOBOB ships entering the Great Lakes. \$988,000 of the FY 2010 budget request would support the AISP, which focuses on prevention, detection, monitoring and control of aquatic invasive species. The program's overarching goal is to target priority efforts to proactively assess and effectively manage the threats posed by invasive

species.

Coastal Nonpoint Pollution

States can receive assistance from NOAA for coastal nonpoint pollution efforts through funding from section 306 of the Coastal Zone Management Act or through NOAA's ongoing development and dissemination of management tools and scientific research on nonpoint source pollution problems and responses. In addition, the FY 2010 President's Budget includes nonpoint source pollution control funding in the requests for the U.S. Environmental Protection Agency and the U.S. Department of Agriculture. NOAA continues to support state Coastal Nonpoint Source (NPS) Management Programs by fostering program integration, and by helping coastal states focus on managing the cumulative and secondary impacts of development to prevent NPS pollution.

Navigation and Positioning

The FY 2010 President's Budget Request includes an increase of \$4.0 million for a new vertical enhancement to the National Spatial Reference System, which is the system that defines latitude, longitude, height, scale, gravity, and orientation throughout the United States and territories. With the requested increase, NOAA will begin a multi-year effort to improve elevation and height information through collecting airborne gravity data to produce a new national vertical datum. Updating the nation's gravity-based geoid model from 40 centimeters of accuracy to 2 centimeters of accuracy across the nation will allow GPS to efficiently establish accurate elevations to improve commerce, to promote economic efficiencies, and to better protect against inundation from storms, flooding, and sea level rise. The 2007 Gravity for the Redefinition of the American Vertical Datum (GRAV-D) plan laid out an efficient process to acquire gravity measurements across the nation and redefined the geoid model based on areas of most critical need. A 2009 socio-economic benefits study estimated benefits to the nation of the completed GRAV-D effort funded by this increase to be \$4.8 billion over 15 years, including \$2.2 billion in avoidance costs from improved floodplain management.

The FY 2010 President's Budget Request includes an increase of \$1.2 million to increase our capacity to conduct hydrographic surveys of critical areas to support safe and efficient navigation. NOAA's charting mandate authorizes NOAA to provide nautical charts and related hydrographic information for the safe navigation of maritime commerce for U.S. territorial waters and the U.S. EEZ, a combined area of 3.4 million SNM, which extends 200 nautical miles offshore from the nation's coastline. The requested funds will augment NOAA's resources focused on surveying the most critical areas laid out in the "NOAA Hydrographic Survey Priorities" document. NOAA is responsible for surveying the entire 3.4 million SNM of the EEZ, but the priority for commerce and safe transportation consists of 500,000 SNM of navigationally significant areas. Of the total navigationally significant area, about 4 percent (~20,000 SNM) has been identified as critical areas in need of survey. These 20,000 SNM are NOAA's highest survey priority. Mariners rely on NOAA's decision support tools to reduce risk and provide a complete understanding of the marine environment in which they must operate.

Conclusion

NOAA has made great progress to address our mandates and fulfill our missions in FY 2008. Our efforts will continue in the remainder FY 2009, and we ask the committee to support the President's FY 2010 Budget Request for NOAA's programs. NOAA's programs provide products and services that benefit the economy, environment, and public safety of the Nation.

Mr. Chairman and Members of the Subcommittee, I thank you for the opportunity to testify before you.



**WRITTEN STATEMENT OF
COLLISTER JOHNSON, JR., ADMINISTRATOR
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION**

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

JUNE 3, 2009

The U.S. Saint Lawrence Seaway Development Corporation (SLSDC), a wholly owned government corporation and an operating administration of the U.S. Department of Transportation (DOT), is responsible for the operations and maintenance of the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie. This responsibility includes maintaining navigation channels and aids, managing vessel traffic control in areas of the St. Lawrence River and Lake Ontario, and maintaining and operating the two U.S. Seaway locks located in Massena, N.Y. Additionally, the SLSDC performs trade development activities designed to enhance the commercial utilization of the Great Lakes St. Lawrence Seaway System.

The SLSDC coordinates activities with its Canadian counterpart, the St. Lawrence Seaway Management Corporation (SLSMC), particularly its rules and regulations, overall day-to-day operations, traffic management, navigation aids, safety, environmental programs, security, operating dates, and business development programs. The unique binational nature of the Seaway System requires 24-hour, year-round coordination between the two Seaway entities.

In 2009, the U.S./Canadian binational St. Lawrence Seaway celebrates its 50th year of serving global commerce with a safe, secure, efficient, reliable, and cost competitive transportation route connecting the five Great Lakes to the world. Over those first 50 years, more than 2.5 billion metric tons of cargo, valued at more than \$375 billion, has moved through the 15-lock waterway.

The St. Lawrence Seaway directly serves an eight-state, two-province region that accounts for 29 percent of the U.S. gross domestic product (GDP), 60 percent of Canada's GDP, 55 percent of North America's manufacturing and services industries, and is home to one-quarter of the continent's population. In fact, maritime commerce on the Great Lakes Seaway System impacts 150,000 U.S. jobs, \$4.3 billion in personal income, \$3.4 billion in transportation-related business revenue, \$1.3 billion in federal, state, and local taxes, and provides approximately \$3.6 billion in annual transportation cost savings compared to the next least expensive mode of transportation.

FISCAL YEAR (FY) 2010 BUDGET ESTIMATE

For Fiscal Year (FY) 2010, the SLSDC is requesting an appropriation from the Harbor Maintenance Trust Fund (HMTF) of \$32.3 million to fund the daily operations and maintenance of the U.S. portion of the St. Lawrence Seaway as well as Year Two projects of the Seaway's Asset Renewal Program (ARP) (see page 3 for program details).

The SLSDC's program budget for FY 2010 also includes the use of an estimated \$900,000 in agency non-federal revenues for a total spending plan of \$33.2 million, approximately \$500,000 below the FY 2009 enacted level (due to the planned reduced amount for Year Two ARP projects). The spending plan includes \$16.3 million for ARP projects (\$1.2 million below the FY 2009 enacted level) and \$16.9 million for agency operations, including net baseline increases of \$700,000 related to pay raises, benefits, rent, Working Capital Fund, and non-pay inflation.

FY 2010 BUDGET REQUEST BY APPROPRIATION ACCOUNT**Saint Lawrence Seaway Development Corporation****Appropriations***(In thousands of dollars)*

<u>ACCOUNT NAME</u>	<u>FY 2008 ACTUAL</u>	<u>FY 2009 ENACTED</u>	<u>FY 2010 REQUEST</u>
<u>Appropriations Request</u>			
Operations and Maintenance - HMTF (69-8003)	\$17,392	\$31,842	\$32,324
<u>Total Program Appropriations</u>			
1. SLSDC Fund (69x4089) ¹			
a. Agency Operations	\$18,292	\$16,207	\$16,907
b. Asset Renewal Program	\$0	\$17,535	\$16,317
SLSDC TOTALS:	\$18,292	\$33,742	\$33,224

¹ The SLSDC Fund (69x4089) for FY 2010 is proposed to include \$32,324,000 in an appropriation from the Harbor Maintenance Trust Fund (69-8003) and \$900,000 in estimated SLSDC non-federal revenues. Each year, the SLSDC, as a government corporation, generates non-federal income from such sources as interest on investments, rental payments, pleasure craft tolls, tug services, and duty free store revenues.

Under this funding scenario, the SLSDC will be able to perform its core mission of serving the U.S. intermodal and international transportation system and providing a safe, reliable, efficient, and environmentally responsible deep-draft waterway, in cooperation with the Canadian SLSMC.

The \$16.3 million estimate to complete 20 ARP projects in FY 2010 was based on the out-year projection provided in the FY 2009 budget request of \$16.2 million, plus \$82,000 for non-pay inflation. Major ARP projects scheduled for FY 2010 include the continued structural rehabilitation and corrosion prevention of the Seaway International Bridge (\$5.8 million) connecting Ontario and New York, which annually accommodates more than 2.5 million vehicles; major concrete rehabilitation at Eisenhower Lock (\$2 million); and the rehabilitation of the downstream miter gates at the locks (\$1.5 million) (*see appendix for complete list of FY 2010 proposed ARP project costs and descriptions*).

SLSDC programs and activities, including the ARP, are principally focused on meeting the Department's Global Connectivity performance measure of meeting the 99 percent or better goal for U.S. Seaway sector availability. The SLSDC is directly responsible for ensuring the safe, efficient, and secure passage of commercial vessels through the binational St. Lawrence Seaway and it has maintained a 99 percent availability rate throughout the waterway's history, beginning in 1959. In addition, the SLSDC's FY 2010 budget request also supports the Departmental strategic goals of Security, Preparedness and Response, and Organizational Excellence.

SEAWAY ASSET RENEWAL PROGRAM

Background

Starting in 2009, the SLSDC initiated its 10-year U.S. Seaway Asset Renewal Program (ARP) for its navigation infrastructure and facilities. The 50 ARP projects and equipment included in the SLSDC's ARP will focus on improving aging Seaway infrastructure, conducting maintenance dredging, investing in new technologies, purchasing new equipment, and refurbishing old facilities. The ARP marks the first time in the Seaway's history that a coordinated effort to repair and modernize the U.S. Seaway infrastructure has taken place. None of these investments will result in increases to the authorized depth or width of the navigation channel or to the size of the two existing U.S. locks.

The SLSDC developed its ARP to address the long-term asset renewal needs of the U.S. Seaway infrastructure. A perpetual infrastructure asset, such as a lock, needs a capital investment equivalent to its original cost over its design life, which is typically 50 years, in order to sustain itself. The U.S. portion of the St. Lawrence Seaway was built in the late 1950s at an original cost of \$130 million. Prior to the start of the ARP in FY 2009, only \$47 million (nominal) in capital expenditures had been invested in the U.S. Seaway locks since they opened in 1959.

The SLSDC's ARP closely coordinates with infrastructure renewal work completed or planned by the Canadian SLSMC and supports the engineering considerations highlighted in the November 2007 binational *Great Lakes St. Lawrence Seaway Study*. The study, which was completed with the support of the U.S. Army Corps of Engineers (USACE), Transport Canada, Environment Canada, U.S. Fish and Wildlife Service, and DOT's Office of the Secretary, SLSDC, and Maritime Administration, evaluated the infrastructure needs of the U.S. and Canadian Great Lakes Seaway System and assessed the economic, environmental, and engineering implications of those needs pertaining to commercial navigation. As part of its ARP planning and implementation processes, the SLSDC is working closely with the SLSMC and USACE to leverage their expertise.

An individual system delay or series of delays/shutdowns would seriously jeopardize the Great Lakes Seaway System's global competitiveness for the movement of agricultural and steel-related products. Although the Seaway has enjoyed a 99 percent reliability rate over its history, similar results in the future are uncertain with an aging infrastructure that has not been adequately renewed. In the competitive global market for commercial transportation, a system delay could force Seaway customers to seek alternative maritime routes and other transportation modes.

Unlike many of the other lock-based waterway systems in the world, which have twinned locks to ensure continued operations in the event of a lock failure, the St. Lawrence Seaway is a single-lock system. A delay or shutdown to any one of the 15 U.S. or Canadian Seaway locks would cause system-wide delays. In 1985, a lock failure at the Canadian Welland Canal caused 53 commercial vessels to be trapped in the Seaway System for 24 days at a cost to the shippers of more than \$24 million.

Original ARP baseline project estimates were developed by the SLSDC using four criteria, as applicable: (1) historical costs for similar work completed previously by the SLSDC; (2) consultation with the U.S. Army Corps of Engineers for similar work it completed at other U.S. locks; (3) consultation with the SLSMC for similar work it completed at the Canadian Seaway locks; and (4) utilization of data from RSMeans, which serves as North America's leading supplier of construction cost information.

Although the majority of ARP work will be completed by outside contractors, the SLSDC will utilize its own workforce for several of the maintenance-related projects as well as for completing much of the pre-contract work, including preparation of designs, specifications, and drawings.

Without sufficient investment in the SLSDC's perpetual assets, the future availability and reliability of the U.S. section of the St. Lawrence Seaway would be in jeopardy. The Seaway has enjoyed a 99 percent reliability rate over its history, but similar results in the future are uncertain with an aging infrastructure quickly approaching the end of its original design life. Adequate capital reinvestment in the Seaway infrastructure is critical to maintaining its exceptional reliability record.

Since proposing the ARP in early 2008, the SLSDC has taken several steps to ensure the successful execution of the decade-long plan. For example, the agency has developed an internal team to ensure the ARP is executed properly and efficiently, and utilized innovative contracting vehicles prior to the start of the ARP to provide Seaway officials with an expedited process to contract for project support.

Seaway ARP Internal Working Group – In 2008, the SLSDC created the Seaway ARP Internal Working Group, made up of senior managers in engineering, procurement, financial management, budget, counsel, and policy, to review project plans and milestones, troubleshoot any concerns, and report progress to senior executives. The group convenes every two weeks to review the status of on-going projects and to collectively discuss ways to improve the overall management, execution, and reporting of the program.

Indefinite Delivery Contracts – The SLSDC’s procurement division, in working with the agency’s engineering team, recognized the need to be able to award ARP-related support contracts quickly without the time constraints of traditional federal contracts. The SLSDC expects to use architecture/engineering (A/E) contractors to receive support and expert advice on project plans, specifications, and drawings.

To that end, the SLSDC awarded indefinite delivery contracts to three A/E firms to support the ARP. As support work is needed, the SLSDC will request proposals from the three firms in a streamlined process, with negotiations, if required, limited to only those firms. The policies and procedures for awarding indefinite delivery contracts are contained in Federal Acquisition Regulation (FAR), Subpart 16.5.

FY 2009 Update

Although Year One (FY 2009) funding for the ARP was not made available until the end of March, the SLSDC expects to fully obligate the enacted \$17.5 million for the 17 ARP projects prior to September 30. As of May 26, the SLSDC has obligated \$1.8 million on ARP initiatives. Major ARP lock projects to be obligated in FY 2009, including culvert valve and miter gate upgrades, will be completed during the winter months following the 2009 and/or 2010 navigation seasons due to long lead times for ordering equipment and machinery.

The only reportable change to the original ARP Year One estimates included in the 2009 budget request relates to the rehabilitation of the miter gates at the two U.S. locks. The original plan was to fund the rehabilitation of a downstream miter gate (ARP Project No. 2) in FY 2009 at an estimated cost of \$1.5 million. Since the original proposal, SLSDC engineers have instead opted to rehabilitate an upstream miter gate at the same cost (ARP Project No. 31). Actual work is expected to occur during the winter months following the 2010 navigation season. With this change, the two downstream gates are now projected to be funded in FYs 2010 and 2011, with the remaining upstream gate funded in FY 2012.

Related to projects that were proposed for FY 2010 and beyond in the FY 2009 request, the SLSDC has revised costs associated with the Seaway International Bridge structural rehabilitation and corrosion prevention project (ARP Project No. 6) and costs and dates related to the installation of vacuum mooring systems at the two U.S. locks (ARP Project No. 23).

Seaway International Bridge – Recent estimates from the Bridge Project Manager for the three-year project are significantly higher than the original projections included in the FY 2009 budget request. The SLSDC’s portion of the project is now estimated at \$12.4 million as compared to the original estimate of \$10.6 million. Estimates are higher due to increases for compliance with environmental requirements/best practices. Project bids are expected in the next 2-4 months, which will provide even more accurate estimates.

Vacuum Mooring System – This two-year ARP project, based on new technology for holding vessels in place while they are in the lock chamber, was originally proposed for FYs 2010-11 at a total cost of \$3.3 million. The Canadian SLSMC has been testing the system at its Welland Canal locks over the past several navigation seasons with limited success. The SLSMC will

conclude its research and development on this technology over the next two years. It is expected that final implementation of the vacuum mooring system may require four vacuum units per lock as opposed to the original plan of two per lock. Due to the delays in implementing the new system at the Canadian locks, the SLSDC has deferred this project beyond FY 2014 toward the end of the ARP and estimates are expected to be 2-3 times higher than originally proposed.

FY 2010 and beyond

The SLSDC's FY 2010 budget request included the *U.S. St. Lawrence Seaway Asset Renewal Program Capital Investment Plan (CIP) – FYs 2010-2014*. The ARP/CIP highlighted 41 projects and equipment estimated at \$92.2 million for the five-year period, 32 of which are multi-year projects, with total funding for each year of the plan constrained to funding targets for those years as estimated and approved by the Office of Management and Budget (OMB) (*see appendix for five-year schedule, cost estimates, and project descriptions*). It is also important to note that dollar amounts for ARP projects are "project feasibility" estimates and can vary by an industry-recognized 20-30 percent. Project estimates and schedules may fluctuate at various points in the lifespan of the ARP and will be revised as needed.

* * * * *

APPENDIX

U.S. Seaway Asset Renewal Program FY 2010-2014										
Project No.	Project Title	Type of Project (1)	Mission Objective (2)	Time Work Completed (3)	FY 2010 Request	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	Five Year Total
2	Both Locks - Rehabilitate Downstream Miter Gales	MP	L	Winter	\$1,500,000	\$1,515,000				\$3,322,000
3	Both Locks - Rehabilitate Mooring Buoys, Pins and Concrete Along Guidewalls and Guardwalls	MP	L	Other	\$251,000	\$253,000				\$494,000
4	Both Locks - Culvert Valve Machinery - Upgrade to Hydraulic Operation	CP	L	Winter	\$2,020,000					\$2,020,000
5	Both Locks - Rehabilitate and Insulate Winter Maintenance Lock Covers	CP	L	Other	\$253,000					\$253,000
6	Seaway International Bridge - Perform Structural Rehabilitation and Corrosion Prevention	MP	7/B	Other	\$5,773,000	\$4,666,000				\$10,439,000
7	Both Locks - Culvert Valves - Replace With Single Skin Valves	CP	L	Other	\$603,000	\$606,000	\$609,000			\$1,818,000
8	Floating Navigational Aids - Replace	CP	W	Other	\$60,000	\$61,000	\$61,000	\$61,000	\$62,000	\$395,000
9	Corporation Equipment - Replace Masts and Light Equipment, Maintenance Vehicles and Shop Equipment	CE	L,W	Other	\$251,000	\$253,000	\$254,000	\$255,000	\$256,000	\$1,289,000
10	Both Locks - Upgrade Power Supply Infrastructure from Meads-Saunders Dam to Both Locks and Adjacent Facilities	MP	L	Other	\$75,000	\$76,000	\$20,000	\$20,000	\$21,000	\$212,000
11	Fixed Navigational Aids - Rehabilitate	MP	W	Other	\$201,000	\$202,000	\$203,000	\$204,000	\$205,000	\$1,015,000
12	Corporation Equipment - Upgrade/Replace Floating Plant	CP	L,W	Other	\$603,000	\$605,000	\$1,525,000		\$16,455,000	\$20,888,000
13	Corporation Facilities - Replace Roofs	CP	F	Other	\$91,000	\$91,000	\$102,000	\$122,000	\$164,000	\$460,000
14	Corporation Facilities - Replace Paving and Drainage Infrastructure	CP	L,F	Other	\$1,908,000	\$1,515,000		\$1,530,000		\$4,953,000
15	Eisenhower Lock - Highway Tunnel - Rehabilitate	MP	7/B	Other		\$253,000		\$255,000		\$508,000
16	Seaway System - Upgrade GPS/AIS/TMS Technologies	CP	W	Other		\$101,000		\$102,000		\$203,000
18	Eisenhower Lock - Vertical Lift Gales - Replace Wire Ropes	MP	L	Winter	\$603,000					\$599,000
19	Corporation Facilities - Upgrade Electrical Distribution Equipment	CP	L,F	Other	\$151,000	\$152,000				\$303,000
20	Both Locks - Upgrade Lock Status/Controls	CP	L	Other	\$151,000	\$152,000				\$303,000
21	Both Locks - Compressed Air Systems - Upgrade/Replace	CP	L	Other	\$1,508,000	\$1,515,000				\$3,023,000
22	Both Locks - Install Vessel Self Spooling Equipment	CP	L	Other	\$251,000	\$253,000				\$504,000
24	Both Locks - Structural Repair - Grout Leaks in Galleries and Recesses	MP	L	Other	\$201,000		\$203,000			\$404,000
25	Corporation Facilities - Upgrade/Replace Fire Alarm/Protection Systems	CP	F	Other	\$101,000		\$102,000			\$203,000
26	Corporation Facilities - Upgrade Storage for Lock Spare Parts	CP	L,F	Other	\$201,000		\$203,000		\$205,000	\$409,000
27	Corporation Facilities - Replace Windows and Doors and Repair Building Facades	MP	F	Other	\$201,000		\$203,000		\$205,000	\$409,000
28	Sheel Lock - Walls, Sills and Culverts - Rehabilitate Concrete	MP	L	Winter		\$2,020,000		\$2,040,000		\$4,060,000
29	Eisenhower Lock - Walls, Sills and Culverts - Rehabilitate Concrete	MP	L	Winter	\$2,010,000		\$2,030,000			\$4,040,000

U.S. Seaway Asset Renewal Program FY 2010-2014										
Project No.	Project Title	Type of Project (1)	Mission Objective (2)	Timing Work Completed (3)	FY 2010 Request	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	Five Year Total
30	Eisenhower Lock - Ice Flushing System - Upgrade	CP	L	Other		\$202,000				\$202,000
31	Both Locks - Rehabilitate Upstream Miller Gates	MP	L	Winter			\$1,523,000			\$1,523,000
32	Snug Harbor - Rehabilitate Spare Gate Storage and Assembly Area	MP	L	Other		\$253,000	\$254,000	\$255,000		\$762,000
33	Both Locks - Upgrade Drainage Infrastructure in Galleries and Recesses	CP	L	Other		\$152,000	\$152,000	\$153,000	\$154,000	\$611,000
34	Both Locks - Improve Ice Control	CP	L	Winter		\$101,000	\$226,000	\$230,000	\$231,000	\$788,000
35	Vessel Mooring Cells - Rehabilitate and Extend	CP	W	Other		\$1,010,000			\$1,025,000	\$2,035,000
36	Eisenhower Lock - Diffusers - Replace	MP	L	Winter			\$3,045,000			\$3,045,000
37	Eisenhower Lock - Construct Drydock for Vessel Maintenance	CP	L, W	Winter			\$761,000			\$761,000
38	Both Locks - Upgrade/Replace Emergency Generators	CP	L	Winter			\$508,000	\$510,000		\$1,018,000
39	Both Locks - Dewatering Pumps - Upgrade Outdated Equipment	CP	L	Other			\$203,000	\$204,000		\$407,000
40	Both Locks - Extend Guidewalls in Pool	CP	L	Other			\$1,523,000	\$1,530,000		\$3,053,000
41	Small Lock - Install Ice Flushing System Technologies	CP	L	Winter			\$5,075,000	\$5,101,000		\$10,176,000
42	Both Locks - Miller Gates - Structural Rehabilitation	MP	L	Winter			\$761,000	\$765,000	\$553,000	\$2,079,000
43	Both Locks - Miller Gate Machinery - Upgrade/Replace	CP	L	Winter				\$1,632,000		\$1,632,000
44	Both Locks - Ship Arrestor Machinery - Upgrade/Replace	CP	L	Winter					\$410,000	\$410,000
	Engineering Design, Construction Inspection, Contracting Support, and Project Management	CP	ALL	Other	1,026,000	\$312,000	\$316,000	\$324,000	\$330,000	\$1,998,000
	Total				\$16,317,000	\$11,492,000	\$18,964,000	\$15,293,000	\$22,226,000	\$82,192,000

(1) CP=Capital Project; CE=Capital Equipment; MP=Major Maintenance; T/B=Tunnel and Bridge Maintenance; F=Facility Upgrade and Maintenance
 (2) L=Lock Operation Upgrade and Maintenance; W=Waterway Management; T/B=Tunnel and Bridge Maintenance; F=Facility Upgrade and Maintenance
 (3) Winter=During Non-Navigation Season; Other=Other Than Non-Navigation Season
 Note: Dollar amounts for ARP projects are "project feasibility" estimates and have an industry-recognized contingency of 23-30 percent

U.S. SEAWAY ASSET RENEWAL PROGRAM
PROJECT DESCRIPTIONS
FYs 2010-2014

The SLSDC's ARP includes capitalized projects and equipment as well as non-capitalized, maintenance-related projects.

Capital projects and equipment are defined as those of a durable nature that may be expected to have a period of service of more than a year without material impairment of its physical conditioning and includes equipment, improvements and modifications to existing structures.

Non-capital/maintenance projects include those that do not materially add to the value of the property nor appreciably prolong the life of the infrastructure but merely keeps it in an ordinarily efficient operating condition. Expenditures for these maintenance projects are recognized as operating costs.

(Note: ARP projects listed below are those scheduled for funding in FYs 2010-14. Projects not included in this listing were either funded in FY 2009 or are scheduled to be funded in FY 2015 and/or beyond).

Project No. 2: Both Locks – Rehabilitate Downstream Miter Gates (Non-Capital Maintenance Project) (FYs 2010 and 2011 -- \$3,023,000) – This project is to completely rehabilitate the miter gates at the downstream end of both Eisenhower and Snell Locks. It includes replacing worn and/or damaged components including the miter and quoin contact blocks, pintles, gate anchorages and diagonals to insure proper functioning of the miter gates.

Project No. 3: Both Locks – Rehabilitate Mooring Buttons, Pins and Concrete along Guidewalls and Guardwalls (Non-Capital Maintenance Project) (FYs 2010 and 2011 -- \$504,000) – This project is to rehabilitate the upstream and downstream approach walls at both Eisenhower and Snell Locks. These are mass concrete monolithic structures with vessel mooring buttons located behind them for transiting vessels to tie to. Since they were constructed, the concrete lifts/blocks have been dislodged and concrete damaged by vessel impact and the mooring buttons have settled such that they collect water/ice, making them difficult to use. The rehabilitation work would include pinning dislodged lifts, repairing damaged concrete and raising mooring buttons that have settled to improve the serviceability of the approach walls. *(Project started in FY 2009)*

Project No. 4: Both Locks – Culvert Valve Machinery – Upgrade to Hydraulic Operation (Capital Project) (FY 2011 -- \$2,020,000) – This project is for replacing the operating machinery for the Eisenhower and Snell Lock culvert valves, which are utilized for filling and emptying the locks. This machinery is nearly 50 years old and the open gearing is exhibiting macropitting. This equipment needs to be upgraded to insure its continued reliability. Failure of this equipment will cause delays to shipping while repairs are made. Due to the fact that this machinery was custom made and spare parts are limited, repairs to multiple pieces of machinery

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using the spare parts that are on-hand would not be possible. The upgrade will include new hydraulic operating machinery to match the upgrades made at the Canadian Seaway locks and other similar locks in the United States. *(Project started in FY 2009)*

Project No. 5: Both Locks – Rehabilitate and Insulate Winter Maintenance Lock Covers (Capital Project) (FY 2011 -- \$253,000) – This project is for rehabilitating and insulating the roof cover modules utilized to cover Eisenhower and Snell Locks when major winter maintenance projects are planned. These covers are over 40 years old and insulating them would save on funds used to heat work areas when required for such temperature sensitive projects as placing concrete and painting steel structures. *(Project started in FY 2009)*

Project No. 6: Seaway International Bridge – Perform Structural Rehabilitation and Corrosion Prevention (Non-Capital Maintenance Project) (FYs 2010 and 2011 -- \$10,439,000) – This project is for rehabilitation of the structural components of the south span of the bridge between Rooseveltown, N.Y., and Cornwall Island, which crosses the Seaway navigation channel. The bridge, which annually accommodates more than 2.5 million vehicles, was opened to traffic in 1962 and is in need for significant rehabilitation. This project, scheduled for completion after four years of work, is designed to stop the corrosion currently experienced on many portions of the bridge structure and prevent the need for large-scale structural or even bridge replacement in the future. The SLSDC owns 68 percent of the south span of the bridge and the budget request reflects the U.S. prorated amount for the project. The Canadian Federal Bridge Corporation owns the remaining 32 percent of the south span. *(Project started in FY 2009)*

Project No. 7: Both Locks – Culvert Valves – Replace with Single Skin Valves (Capital Project) (FYs 2010, 2011, and 2012 -- \$1,818,000) – This project is for replacing the double skin culvert valves utilized for filling and emptying both Eisenhower and Snell Locks with single skin valves. Cracking of major structural members have occurred and with the double skin construction, the structural members are not accessible for inspection, blast cleaning and painting. The culvert valves are nearly 50 years old and are corroding from the inside. The new single skin valves will provide access to the structural members for inspection and maintenance. The failure of a culvert valve would cause a delay to shipping while the damaged valve was removed and replaced. Depending on the type of failure, other lock operating components/ equipment could be damaged causing the lock to be out of service for a longer time. *(Project started in FY 2009)*

Project No. 8: Floating Navigational Aids – Upgrade/Replace (Capital Project) (FYs 2010, 2011, 2012, 2013, and 2014 -- \$305,000) (Additional costs anticipated beyond FY 2014) – This is an ongoing program to replace floating navigational aids/buoys and winter markers that have been damaged over the years, on an as required basis. The Corporation is responsible for approximately 100 buoys and 50 winter markers. *(Project started in FY 2009)*

Project No. 9: Corporation Equipment – Replace Heavy and Light Equipment, Maintenance Vehicles and Shop Equipment (Capital Equipment) (FYs 2010, 2011, 2012, 2013, and 2014 -- \$1,269,000) (Additional costs anticipated beyond FY 2014) – This is an ongoing program to replace heavy and light equipment, vehicles and shop equipment as it

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becomes worn out and unserviceable. Heavy and light equipment includes such items as a crane, dump truck, snow plow, backhoe, grader, front end loader and shop equipment such as a lathe, milling machine and drill press. *(Project started in FY 2009)*

Project No. 10: Both Locks – Upgrade Power Supply Infrastructure from Moses-Saunders Dam to Both Locks and Adjacent Facilities (Non-Capital Maintenance Project) (FYs 2010, 2011, 2012, 2013, and 2014 -- \$212,000) (Additional costs anticipated beyond FY 2014) –

This project is for upgrading the infrastructure that supplies power to Eisenhower and Snell Locks and to the Corporation's Maintenance Facility. The power is furnished directly from the Moses-Saunders Power Dam over infrastructure that is nearly 50 years old. The loss of power from the Moses-Saunders Power Dam makes it necessary to utilize diesel generators, which are expensive to operate, to continue operation of Eisenhower and Snell Locks and the Maintenance Facility. *(Project started in FY 2009)*

Project No. 11: Fixed Navigational Aids – Rehabilitate (Non-Capital Maintenance Project) (FYs 2010, 2011, 2012, 2013, and 2014 -- \$1,015,000) (Additional costs anticipated beyond FY 2014) –

This project is for rehabilitating fixed navigational aids in the Seaway. Many of the structures are nearing 50 years old and are in need of more than routine repairs. Many of these structures have concrete bases which are eroding and cracking. The inspection of these structures will have to be done by divers and the majority of the repairs will require divers and the use of a tug and barge with crane to complete. Failure of a fixed aid would likely make it necessary to replace it which would cost significantly more than repairing the existing structure. *(Project started in FY 2009)*

Project No. 12: Corporation Equipment – Upgrade/Replace Floating Plant (Capital Project) (FYs 2010, 2011, 2012, and 2014 -- \$20,986,000) (Additional costs anticipated beyond FY 2014) –

This is an ongoing program to rehabilitate and/or replace the Corporation's floating plant which is utilized for maintaining the locks and navigation channels. This multiyear project also includes replacing the tug and buoy tender barge; purchasing a smaller tug for more efficient operations where the capabilities of the larger tug are not required, as well as a small boat for emergency response and a small scow for transporting dredged spoil from emergency/ spot dredging; and rehabilitating the Corporation's crane barge/gatelifter, which would have to be utilized if a miter gate was damaged and had to be replaced. *(Project started in FY 2009)*

Project No. 13: Corporation Facilities – Replace Roofs (Capital Project) (FYs 2011, 2012, 2013, and 2014 -- \$469,000) (Additional costs anticipated beyond FY 2014) –

This project is for replacing the roofs on the Corporation's various buildings and facilities in Massena, N.Y., as required. Most of the roofs are currently insulated ethylene propylene diene monomer (EPDM) roofs with a service life of 15-20 years and have reached the end of that time frame. *(Project started in FY 2009)*

Project No. 14: Corporation Facilities – Replace Paving and Drainage Infrastructure (Capital Project) (FYs 2010, 2011, and 2013 -- \$4,553,000) (Additional costs anticipated beyond FY 2014) –

This project is for improving the pavement and drainage along lock approach walls, Corporation roadways and public parking and work areas at all Corporation

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facilities. In Upstate New York, the damage to pavements caused by winter conditions is significant and if repairs are not made before the damage is too severe, complete replacement of the pavement down to and often including the base materials is required at a much higher cost. *(Project started in FY 2009)*

Project No. 15: Eisenhower Lock Highway Tunnel – Rehabilitate (Non-Capital Maintenance Project) (FYs 2011 and 2013 -- \$508,000) (Additional costs anticipated beyond FY 2014) – This is an ongoing project to maintain the highway tunnel which goes through the upper sill area of Eisenhower Lock to provide the only access to the north sides of both Eisenhower and Snell Locks, to the New York Power Authority's Robert Moses Power Project and to the New York State Park on Barnhart Island. This project includes grouting to limit the water leaking into the tunnel, replacing damaged/missing tiles from the walls and ceiling, replacing deteriorated/ damaged gratings and railings, stabilizing/repairing wingwalls at the tunnel approaches and clearing tunnel drains which are becoming plugged with concrete leachate products. Due to the fact that this tunnel is the only means of access to the facilities noted above, any problems that would make it necessary to close the tunnel for repair would have very significant impacts. *(Project started in FY 2009)*

Project No. 16: Seaway System – Upgrade GPS/AIS/TMS Technologies (Capital Project) (FYs 2011 and 2013 -- \$203,000) (Additional costs anticipated beyond FY 2014) – This project is to expand the use of the Seaway's Global Positioning System (GPS)/ Automatic Identification System (AIS) navigation technologies, which are incorporated into the Seaway's binational Traffic Management System (TMS). Future upgrades will further improve the safety for vessels transiting the Seaway. Plans are to use these technologies to enable vessels to better identify hazards at times of limited visibility. *(Project started in FY 2009)*

Project No. 18: Eisenhower Lock – Vertical Lift Gate – Replace Wire Ropes (Non-Capital Maintenance Project) (FY 2010 -- \$503,000) – This project is for replacing the wire rope cables that serve to raise and lower the vertical lift gate at Eisenhower Lock. These cables were last replaced in 1979 and are exhibiting some strand breakage and corrosion. The vertical lift gate is an emergency closure designed to hold back the power pool if a miter gate is compromised.

Project No. 19: Corporation Facilities – Upgrade Electrical Distribution Equipment (Capital Project) (FYs 2010 and 2011 -- \$300,000) – This project is for upgrading electrical distribution equipment at both Eisenhower and Snell Locks and at the Maintenance Facility to insure continued reliability. The majority of this equipment is nearly 50 years old.

Project No. 20: Both Locks – Upgrade Lock Status/Controls (Capital Project) (FYs 2010 and 2011 -- \$303,000) – This project is for upgrading the lock/equipment status systems and the lock operating controls at both Eisenhower and Snell Locks. At present only the most critical components are monitored and controlled by the new computerized system. Adding control of some of the less critical components and more in depth monitoring of the status of all components will improve the effectiveness of preventive maintenance activities and result in increased reliability.

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Project No. 21: Both Locks – Compressed Air Systems – Upgrade/Replace (Capital Project) (FYs 2010 and 2011 -- \$3,023,000) – This project is for replacing the compressors and corroded piping at both Eisenhower and Snell Locks which provides compressed air for various systems at the locks, for maintenance work and for air curtains and bubblers utilized to control ice in and around the locks during the opening and closing of the navigation seasons. The ability of the existing compressed air systems to provide the required volumes and/or pressures reliably is becoming a problem.

Project No. 22: Both Locks – Install Vessel Self Spotting Equipment (Capital Project) (FYs 2010 and 2011 -- \$504,000) – This project is for installing equipment at both Eisenhower and Snell Locks such that transiting vessels can spot/locate themselves in the lock. This new technology, once fully implemented, will reduce labor costs for locking vessels. The Canadian Seaway agency has been testing this new technology at one of their locks.

Project No. 24: Both Locks – Structural Repair – Grout Leaks in Galleries and Recesses (Non-Capital Maintenance Project) (FYs 2010 and 2012 -- \$404,000) – This project is for grouting cracks/joints in the concrete in the galleries and recesses at both Eisenhower and Snell Locks to reduce the infiltration of water into these areas. Water leaking into these areas accelerates the corrosion of the components/ machinery and makes it difficult to perform maintenance on these items.

Project No. 25: Corporation Facilities – Upgrade/Replace Fire Alarm/Protection Systems (Capital Project) (FYs 2010 and 2012 -- \$203,000) – This project is for replacing antiquated fire alarm and fire protection systems at Corporation facilities.

Project No. 26: Corporation Facilities – Upgrade Storage for Lock Spare Parts (Capital Project) (FYs 2010, 2012, and 2014 -- \$609,000) – This project is for constructing shelters for storage of lock spare parts to prevent them from corroding prior to their use. Many of these items are not stored under cover and/or are stored in old storage sheds that are in need of repair or replacement.

Project No. 27: Corporation Facilities – Replace Windows and Doors and Repair Building Facades (Non-Capital Maintenance Project) (FYs 2010, 2012, and 2014 -- \$609,000) (Additional costs anticipated beyond FY 2014) – This project is for replacing corroded/worn windows and doors with more energy efficient units and for repairing the brick and stone facades which are in need of repair.

Project No. 28: Snell Lock – Walls, Sills and Culverts – Rehabilitate Concrete (Non-Capital Maintenance Project) (FYs 2011 and 2013 -- \$4,060,000) (Additional costs anticipated beyond FY 2014) – This project is to replace deteriorated/ damaged concrete at Snell Lock in all areas except the diffusers. This includes concrete that has been damaged by freeze-thaw cycles and by vessel impacts. It is resurfacing the mass concrete that forms the locks walls, filling and emptying culverts and the gate sills by replacing deteriorated/damaged concrete.

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Project No. 29: Eisenhower Lock – Walls, Sills and Culverts – Rehabilitate Concrete (Non-Capital Maintenance Project) (FYs 2010 and 2012 -- \$4,040,000) (Additional costs anticipated beyond FY 2014) – This project is to replace deteriorated/damaged concrete at Eisenhower Lock in all areas except the diffusers. This includes concrete that was of poor quality when placed during original construction and concrete that has been damaged by freeze-thaw cycles and by vessel impacts. It is resurfacing the mass concrete that forms the locks walls, filling and emptying culverts and the gate sills by replacing concrete to depths ranging between approximately 8 inches and 24 inches.

Project No. 30: Eisenhower Lock – Ice Flushing System – Upgrade (Capital Project) (FY 2011 -- \$202,000) – This project is for making improvements to the ice flushing system at Eisenhower Lock. This system was installed in the early 1980's and is utilized for flushing ice from the lock chamber to make room for a vessel and to prevent/minimize damage to the vessel and the lock structures/ components.

Project No. 31: Both Locks – Rehabilitate Upstream Miter Gates (Non-Capital Maintenance Project) FY 2012 -- \$1,523,000) – This project is to completely rehabilitate the miter gates at the upstream end of both Eisenhower and Snell Locks. This includes replacing worn and/or damaged components including the miter and quoin contact blocks, pintles, gate anchorages and diagonals to insure proper functioning of the miter gates. *(Project started in FY 2009)*

Project No. 32: Snug Harbor – Rehabilitate Spare Gate Storage and Assembly Area (Non-Capital Maintenance Project) (FYs 2011, 2012, and 2013 -- \$762,000) – This project is for rehabilitating the spare miter gate storage and assembly area at Snug Harbor. The work will include repair of the spare gate assembly pads and their supporting piles and blast cleaning and painting of the spare miter gates and gate assembly towers.

Project No. 33: Both Locks – Upgrade Drainage Infrastructure in Galleries and Recesses (Capital Project) (FYs 2011, 2012, 2013, and 2014 -- \$611,000) – This project is to open existing drains or to drill new ones in the galleries and machinery recesses at both Eisenhower and Snell Locks. The drains are being filled up with concrete leachate products which slow and/or stop the drains causing flooding of the galleries and machinery recesses.

Project No. 34: Both Locks – Improve Ice Control (Capital Project) (FYs 2011, 2012, 2013, and 2014 -- \$790,000) (Additional costs anticipated beyond FY 2014) – This project is to improve the methods/equipment utilized to control ice in and around Eisenhower and Snell Locks during the opening and closing of each navigation season. Currently air curtains and bubblers are utilized to minimize the ice entering a lock chamber and to move it away from the miter gates and backhoes are used for removing ice from the lock walls, which reduces the width available for transiting vessels. Improvements to existing systems/equipment as well as utilizing new technologies would make operations during times when there is ice in the water more efficient and would minimize damages to the lock components and transiting vessels.

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Project No. 35: Vessel Mooring Cells – Rehabilitate and Extend (Capital Project) (FYs 2011 and 2014 -- \$2,035,000) (Additional costs anticipated beyond FY 2014) – This project is for rehabilitating and extending the vessel mooring cells upstream of Eisenhower Lock and in the Intermediate Pool between the locks. These mooring cells are available for vessels with problems to tie to until the problems can be corrected and/or for vessels to tie to for inspections. The existing cells are almost 50 years old, are in a state of disrepair and are too short for current Seaway length vessels.

Project No. 36: Eisenhower Lock – Diffusers – Replace (Non-Capital Maintenance Project) (FY 2012 -- \$3,045,000) – This project is to replace deteriorated/damaged concrete in the diffusers at Eisenhower Lock. This includes concrete that was of poor quality when placed during original construction and concrete that was damaged by freeze-thaw cycles. The diffusers are the outlet structures used to dampen the flow of water when the lock is emptied and this project would be for removal and replacement of these structures.

Project No. 37: Eisenhower Lock – Construct Drydock for Vessel Maintenance (Capital Project) (FY 2012 -- \$761,000) – This project is for constructing a drydock in Eisenhower Lock so that repairs to the Corporation's floating plant can be made on site. Because a lock is dewatered in the winter, it could serve as a drydock by installing a floor and some pedestals/blocking in a section of the lock to accommodate the Corporation's vessels. This would save the cost of transporting vessels to a drydock typically located in the Great Lakes and the daily rate for having a vessel in that drydock.

Project No. 38: Both Locks – Upgrade/Replace Emergency Generators (Capital Project) (FYs 2012 and 2013 -- \$1,018,000) – This project is for replacing the emergency generators at both Eisenhower and Snell Locks and for installing one of those removed from the locks at the Maintenance Facility. The generators at the locks are over 20 years old and will not carry the total load. It is sometimes necessary to eliminate some of the load to insure that the generators will run. Also, installing one of these units at the Maintenance Facility with an automatic transfer switch will insure that if the power goes out, water lines will not freeze and break and it will enable maintenance activities to continue.

Project No. 39: Both Locks – Dewatering Pumps – Upgrade Outdated Equipment (Capital Project) (FYs 2012 and 2013 -- \$407,000) – This project is for replacing the pumps used for dewatering both Eisenhower and Snell Locks for maintenance of their underwater components. These pumps are nearly 50 years old and parts for these units are no longer available.

Project No. 40: Both Locks – Extend Guidewalls in Pool (Capital Project) (FYs 2012 and 2013 -- \$3,053,000) – This project is for extending the downstream guidewall at Eisenhower Lock and the upstream guidewall at Snell Lock. These approach walls were part of the original construction and are too short for mooring maximum Seaway length vessels.

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Project No. 41: Snell Lock – Install Ice Flushing System Technologies (Capital Project) (FYs 2012 and 2013 -- \$10,176,000) – This project is for installation of an ice flushing system at Snell Lock similar to the one at Eisenhower Lock. An ice flushing system is utilized to remove floating ice from the lock chamber to make room for transiting vessels and to prevent/minimize damage to the vessels and/or lock structures. Without an ice flushing system, it is necessary to flush ice utilizing the filling valves which is less efficient and effective and significantly increases the stresses on these valves and causes damage to them.

Project No. 42: Both Locks – Miter Gates – Structural Rehabilitation (Non-Capital Maintenance Project) (FYs 2012, 2013, and 2014 -- \$2,039,000) (Additional costs anticipated beyond FY 2014) – This project is to blast clean and treat the upstream and downstream miter gates at both Eisenhower and Snell Locks to prevent further corrosion of these structures. They were last treated over 20 years ago.

Project No. 43: Both Locks – Miter Gate Machinery – Upgrade/ Replace (Capital Project) (FY 2013 -- \$1,632,000) (Additional costs anticipated beyond FY 2014) – This project is for replacing the operating machinery for the miter gates at both Eisenhower and Snell Locks. This machinery is nearly 50 years old and needs to be upgraded to insure its continued reliability. The upgrade will include new hydraulic operating equipment to match the upgrades made at the Canadian Seaway locks and the other locks in the United States.

Project No. 44: Both Locks – Ship Arrestor Machinery – Upgrade/Replace (Capital Project) (FY 2014 -- \$410,000) (Additional costs anticipated beyond FY 2014) – This project is for replacing the operating machinery for the ship arrestors at both Eisenhower and Snell Locks. The ship arrestors protect the miter gates from damage that would be caused if a vessel had a malfunction such that it was unable to stop and struck a miter gate. This operating machinery is nearly 50 years old and needs to be upgraded to insure its continued reliability.

Engineering Design, Construction Inspection, Contracting Support, and Project Management (Capital Project) (FYs 2010, 2011, 2012, 2013, and 2014 -- \$1,590,000) (Additional costs anticipated beyond FY 2014) – To accomplish all of the ARP projects, the SLSDC will require additional engineering design support, construction inspectors to monitor and insure the quality of the work, and contracting specialists to handle the increase in contract work.

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**TESTIMONY OF
MICHAEL H. SHAPIRO
ACTING ASSISTANT ADMINISTRATOR
U.S. ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF WATER**

**BEFORE THE
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES**

JUNE 3, 2009

Good Morning Madam Chairwoman and Members of the Subcommittee. I am Michael Shapiro, Acting Assistant Administrator for the Office of Water at the United States Environmental Protection Agency (EPA). Thank you for this opportunity to speak about the President's Fiscal Year 2010 budget request for EPA's National Water Program. The request is for \$5.5 billion, or 53 percent of the Agency's budget. This increase of \$3 billion over FY 2009 will enable EPA, in collaboration with our state, local, and Tribal partners, to advance our mission of protecting human health and the environment, and specifically, to make America's waters clean, safe and secure.

EPA's Office of Water has made progress in protecting and improving water quality thanks to monitoring surface water, implementing water quality standards, issuing discharge permits, reducing diffuse or non-point sources of pollution, and constructing wastewater and drinking water treatment facilities; however, many challenges remain. The FY 2010 budget request will help EPA to: 1) maintain and restore waters across the country through State and Tribal Clean Water Act programs; 2) continue to improve the health of the country's

major coastal ecosystems; 3) increase the population served by systems providing water that complies with drinking water standards; and 4) complete funding to Water Security Initiative pilots.

Infrastructure Investment

The Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) provide affordable loans to local communities to finance public wastewater systems and other water quality projects.

The FY 2010 President's budget request includes \$2.4 billion for the CWSRF and \$1.5 billion for the DWSRF. These critical infrastructure programs will preserve and create jobs, and fund approximately 1,000 clean water and 700 drinking water projects. They will also prioritize green infrastructure, water and energy efficiency, and environmentally innovative projects for state, local, and Tribal governments. This budget also includes significant increases for Tribes and United States Territories to address their unmet water quality needs. The budget fully funds the cooperative agreements for Water Security Initiative pilots which will provide a "proof of concept" for enhancing the security of drinking water infrastructure.

EPA will also work with State and local partners to develop a sustainability policy including management and pricing for future infrastructure funded through SRFs to encourage conservation and to provide adequate long-term funding for

future capital needs. The 2010 Budget also proposes to work with State and local governments to address Federal drinking water policy in order to provide equitable consideration of small system customers.

Large Aquatic Ecosystems (LAEs)

To improve Large Aquatic Ecosystems (LAEs), such as the Great Lakes, Chesapeake Bay, and Puget Sound, EPA implements Core Water Programs at the watershed level.

Great Lakes

The Great Lakes provide drinking water, food, recreation and transportation to about 25 million Americans. The FY 2010 President's budget request provides \$475 million for the Great Lakes Restoration Initiative, a coordinated multi-agency effort focused on critical challenges including: toxic substances, invasive species, near-shore health, nonpoint source pollution, habitat and wildlife protection, and restoration. EPA has worked closely with its Federal partners to target funding to the highest priority problems in the Great Lakes and to ensure there will be increased collaboration, accountability, and transparency.

Chesapeake Bay

The Chesapeake Bay Program (CBP), authorized by Section 117 of the Clean Water Act, is a collaborative regional partnership directing restoration of

the Bay since 1983. The \$35 million FY 2010 President's budget request will (1) foster implementation of the Chesapeake Action Plan; (2) advance efforts to reduce pollution (e.g. nitrogen, phosphorus, and sediments) from agriculture, development, wastewater, and air deposition; and (3) support EPA and the States' work to develop the nation's largest and most complex Total Maximum Daily Load (TMDL) for the entire Chesapeake Bay watershed. Additionally, the Chesapeake Bay Program will work closely with the rest of EPA and other Federal partners to implement the Chesapeake Bay Executive Order, which the President signed on May 12.

Puget Sound

The Puget Sound Program is focused on high priority restoration activities identified in the Washington State 2020 Action Agenda. The \$20 million FY 2010 President's budget request will upgrade shellfish bed classification for approximately 125 acres, implement local stormwater plans, improve monitoring, restore or protect 800 acres of wetlands, and reduce nutrients.

Conclusion

In conclusion, I would like to thank you Madam Chairwoman, and the Members of the Subcommittee, for this opportunity to discuss the President's FY 2010 budget request for EPA's National Water Program.

EPA's Office of Water takes the responsibility of protecting and improving the nation's waters very seriously. America's water is a public trust. The National

Water Program is committed to innovative solutions that protect and improve water quality, promote water efficiency and ensure environmentally sustainable water and wastewater infrastructure.

EPA looks forward to continuing our work with this Subcommittee and to accomplishing these important National Water Program goals.

I will be happy to respond to any questions you may have.

Testimony of
John M. Thomas III
Vice President and Controller
Tennessee Valley Authority,
before the
U.S. House Committee on Transportation and Infrastructure
Subcommittee on Water Resources and Environment
June 3, 2009

Opening Statement

Chairwoman Johnson, Ranking Member Boozman, and members of the Committee. I appreciate this opportunity to discuss the operations, performance, and priorities of the Tennessee Valley Authority (TVA). On behalf of TVA, we appreciate the oversight and support provided by this committee and members of Congress.

TVA's three-part mission, based on energy, economic development, and environmental stewardship, is being carried out in partnership with the people and the local and state governments in the TVA service area. The ability of TVA to provide affordable, reliable electricity remains a basic building block for economic progress for the region.

About TVA

As a corporate agency and instrumentality of the United States government, TVA is the nation's largest public power supplier. TVA is financially self-supporting. The TVA power system has not received any federal appropriation in 50 years, and TVA's stewardship programs have not received federal appropriations since 1999. In accordance with the direction of Congress, TVA pays its own way, using power proceeds to buy fuel, pay wages, service debt, maintain assets, and fund stewardship and economic development activities. Since 1959, TVA has been repaying the initial congressional appropriation investments in the power program, as well as making annual payments on the outstanding balance at the U.S. Treasury's current cost of borrowing. As of the end of the 2008 fiscal year, TVA had made total payments to the U.S. Treasury of about \$3.4 billion on the federal investment of \$1.4 billion.

In partnership with 158 local utilities, TVA provides reliable, affordable electricity to about nine million people and 650,000 businesses in Tennessee and adjoining portions of six surrounding states. The 158 local utilities purchase power wholesale from TVA for retail sale to their residential, commercial and industrial customers. TVA also provides power directly to about 60 large industrial customers and federal installations, such as Oak Ridge National Laboratory.

TVA has stewardship responsibilities for the Tennessee Valley region's natural resources, including the nation's fifth-largest river system. Under the TVA Act, hydroelectric dams operated by TVA and other power generation facilities are designed and operated as part of a multipurpose system to help improve navigation, control floods, meet national defense needs and promote the development of the Tennessee Valley region. TVA is a catalyst for economic development throughout its 80,000-square-mile service area, working in partnership with local governments and economic development agencies.

TVA's management of an integrated river system and innovative watershed management are recognized as national and international models for government and community collaboration for improving and protecting water quality.

Strategic Plan

TVA is in its fourth year of operations under the governance restructuring established by the Consolidated Appropriations Act of 2005. The act expanded the TVA Board of Directors from three members to nine and vested responsibility for daily operations in a management structure led by TVA's Chief Executive Officer.

One of the first priorities of the expanded Board was to adopt a Strategic Plan for use in guiding TVA's future actions. The plan accounts for emerging market trends, such as volatile fuel costs, a new national energy policy, and other developments that affect the energy industry. Public comment gathered during the process of adopting the plan highlighted the importance of renewable energy, energy conservation, and demand-side management to our stakeholders. The plan adopted by the Board on May 31, 2007, is a high-level document that identifies critical aspects of TVA's business that need to be addressed to strengthen the ability of TVA to continue generating value for the people we serve.

The Strategic Plan sets objectives to leverage TVA's strengths in five key areas: Customer, People, Financial, Assets, and Operations. In summary, the plan emphasizes our obligation to provide reliable, competitively priced power and spells out sound financial principles we will follow. It directs us to improve our relationships with customers and develop partnerships with them in energy efficiency, power supply, and economic development.

A significant priority is to ensure that the TVA power system has the right balance of generating capacity and energy supply to meet the growth in customer demand and reduce our exposure to the price volatility of the energy markets. Specific actions to carry out the provisions of the Strategic Plan are reflected in our annual business and performance plans and budgets. The budget plans for Fiscal Year 2010 are aligned to the strategic objectives.

The primary guiding financial principles for our business planning are: (1) pay debt obligations before the assets are fully depreciated; (2) new power generation capacity will be supported by new debt; and (3) achieve top quartile industry ranking for our operating and maintenance costs.

Fiscal Year 2010 Proposed Budget

Although we are in the process of finalizing our budget for Fiscal Year 2010, our proposed budget assumes revenue of \$13.6 billion, operating expenses of \$11.3 billion, and capital expenditures of \$2.2 billion. A final budget proposal will be submitted to the TVA Board for its consideration at its meeting scheduled in August.

Fuel for our generating plants and purchased power is the largest expense in our budget. While we have seen some relief from the previous steep climb in fuel and purchased power prices during the past year, our outlay for fuel and purchased power is budgeted to be more than 50 percent higher in 2010 than two years ago, from \$4.2 billion in 2008 to \$6.5 billion in 2010. The budget assumes TVA will increase its debt and debt-like obligations by \$32 million in 2010 primarily from new capital spending for

the Watts Bar Unit 2 project (\$681 million) and other new generating capacity (\$773 million). Total capital spending for 2010 is budgeted at \$2.2 billion, which in addition to new generation capacity, includes \$223 million for clean air projects and \$531 million to maintain TVA's existing assets. TVA's outstanding debt and debt-like obligations are estimated to be \$24.9 billion at the end of 2010.

Fiscal Year 2009

Like other areas, the TVA service territory is experiencing the impacts of the economic recession, and we are adjusting our planning to account for lower power demand. Our quarterly report filed on Form 10-Q with the Securities and Exchange Commission for the second quarter of Fiscal Year 2009 recorded a 9.4 percent drop in power sales compared to the same three-month period in 2008. Cumulatively, power sales for first six months of the fiscal year were down 5.6 percent compared to the same period in 2008.

The budget plan adopted last fall projected that power sales would be flat for the year; however, we now project that power sales for will be down about 6 to 8 percent by the end of the fiscal year on September 30, largely due to the impact on the industrial sector. At the end of April, sales to the industrial sector were 16 percent below the budget plan. The impact of lower power sales in 2009 is expected to reduce revenues by approximately \$500 million.

A decline in fuel oil and natural gas prices has reduced market prices for purchased power in recent months. These price declines have allowed TVA to reduce its quarterly Fuel Cost Adjustment to a level starting in July that effectively rolls back all of a 17 percent increase that occurred last October at the start of our first fiscal quarter of 2009. During the first quarter, fuel and purchased power costs were 50 percent higher than the same quarter in 2008. The quarterly Fuel Cost Adjustment used by TVA is similar to the mechanism used by other utilities nationwide to account for the market volatility in fuel prices.

We are seeing some relief from drought conditions that have prevailed across much of service region for the past three years, especially in the eastern side of the Valley where rainfall is critical for filling our upper tributary reservoirs for power generation and maintaining minimum stream flows established by our Reservoir Operating Guides to protect water quality and the health of the river system. The severity of the drought reached its peak in 2007, which was the driest year for the Tennessee Valley in 118 years of record-keeping.

Hydro generation for the first six months of Fiscal year 2009 was about 60 percent higher than the first half of 2008. Hydro generation is our most economic source of electricity and is used to meet the daily peak demand period. The additional hydro generation and lower power sales have helped reduce the need to purchase more expensive generation to meet the daily peak demand. While rainfall this year is improved, parts of the Tennessee Valley remain under drought conditions.

As you know, on December 22, 2008, a dike on a large coal ash storage facility failed at the Kingston Fossil Plant about 40 miles west of Knoxville, Tennessee. We are making steady progress in the cleanup and recovery, and I will provide an update later in this testimony. From a financial standpoint, we estimate that full recovery will cost from \$675

million to \$975 million, depending on the disposal methods. As of March 31, 2009, TVA has recognized a charge of \$675 million for the cleanup and incurred \$77 million in actual costs. The estimate for the recovery does not include state and federal regulatory costs, litigation, or any necessary long-term environmental remediation.

We continue to carry out one of the most aggressive clean air programs in the nation with the installation of emission control equipment and other measures at TVA's 11 fossil plants that provide about 60 percent of our power generation. The capital investment during Fiscal Year 2009 is expected to be \$232 million. For Fiscal Year 2010, the capital investment in clean air is budgeted to be about \$223 million. TVA has invested more than \$5 billion in its clean air program since 1977, installing controls for nitrogen oxide and sulfur dioxide. These emissions have been reduced more than 80 percent from previous levels, and further reductions will be achieved as controls are added to existing units.

TVA is proceeding with work to complete the second reactor at Watts Bar Nuclear Plant, which will help meet future power demand using zero-carbon nuclear generation. The addition of 1,150 megawatts from the second Watts Bar reactor scheduled for completion by 2012 will help meet TVA's goal of having 50 percent of its power generation supplied from clean and renewable energy sources by 2020. Currently, about 34 percent of TVA's generation comes from zero-carbon and clean energy sources such as hydro and nuclear power, along with renewable methane, wind and solar energy. TVA established an Energy Efficiency and Demand Response program in 2008 that enlists the partnership of the region's local utilities to encourage their residential and business customers to use energy more wisely and help lessen the demand for building new generating units.

Although current economic conditions have impacted power demand, regional economic development efforts continue to be successful in attracting new industry. In the past year, Volkswagen America began building a \$1-billion auto assembly plant near Chattanooga, and two major manufacturers of solar energy materials announced plans to build \$1-billion plants in Tennessee. These new industries are expected to create more than 3,000 new jobs.

All three new plants will be built on industrial "megasites" that were assembled by state and local economic development officials and certified as suitable sites for large industry through a program created by TVA in response to local economic development groups.

Major Challenges

As we prepare to enter the last quarter of the current fiscal year, TVA is facing some significant financial and operational challenges that are expected to impact this year's financial performance and the year ahead. As stated earlier, the national economic downturn is reflected by a reduced demand for electricity, especially in the industrial sector; and we have seen a decline in market performance in the TVA pension fund and the trust fund required for future nuclear plant decommissioning.

Other major challenges include additional costs to expand our renewable energy portfolio and our energy efficiency program in advance of expected national standards. We also anticipate additional costs for strengthened environmental requirements for coal ash disposal, along with future carbon and mercury control measures.

In anticipation of national renewable energy standards, we issued a Request for Proposals this past year for up to 2,000 megawatts of renewable energy from the marketplace. We are evaluating the responses and expect to begin negotiating contracts for delivery of renewable energy, mainly from proposed wind projects in Midwestern states.

In addition to these challenges, TVA planning must accommodate an expected \$1.7 billion in accelerated emission control costs to comply with a federal court-ordered timetable issued earlier this year as the result of a clean air lawsuit brought by the State of North Carolina. We had anticipated spending about \$700 million on controls for the plants in the eastern portion of our system through 2015; however, the court ruling will require additional equipment and control measures three years earlier than planned.

While these challenges will occur in varying degrees over different time periods and involve some legislative uncertainty, the most immediate challenge is the cleanup and recovery of the ash spill at Kingston Fossil Plant about 40 miles west of Knoxville, Tennessee.

Kingston Recovery Progress

As TVA President and Chief Executive Officer Tom Kilgore testified before this committee on March 31, 2009, on the recovery progress at our Kingston plant, TVA is working closely with officials from the U.S. Environmental Protection Agency (EPA), the Tennessee Department of Environment and Conservation and local officials to protect the health and safety of the public and TVA employees as the clean up and recovery work progresses.

Continuous testing of air, water and soil samples by certified laboratories remains in place. More than 44,000 air samples and 1,300 water samples have shown that air and drinking water continue to meet state and federal standards.

We are working as quickly and safely as possible. The pilot phase of dredging operations is complete and we are transitioning to long-term dredging operations to remove the ash from the Emory River adjacent to the failed facility. The dredging plans and the associated river monitoring network put in place to protect the environment were reviewed and approved by the EPA and the state before the work began.

In early May, TVA and the EPA signed an agreement whereby TVA will remain a lead federal agency for the recovery work and the EPA will approve all work plans and schedules moving forward using its expertise under the Comprehensive Environmental Response, Compensation and Liability Act.

A Community Involvement Plan is being developed by TVA to ensure that the people in Roane County are kept informed and involved in the decisions about the recovery and remediation of the affected land and embayment.

For health monitoring, we have contracted with Oak Ridge Associated Universities to provide the community with access to medical and toxicology experts who have knowledge and experience with health effects related to the contaminants in the ash. The organization is a consortium of 100 universities offering expertise in public health communication and design of medical monitoring programs.

Conclusion

The people at TVA strive each day to look for ways to do their jobs better as they deliver power and other services to our stakeholders. In carrying out our business plans, we are committed to improving TVA's financial health, maintaining fiscal responsibility, and staying true to our mission.

We look forward to keeping this Committee, Congress, the Administration, and all our stakeholders informed as TVA works to continue generating value for our regional stakeholders and the nation.

Thank you.

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**STATEMENT OF DAVE WHITE, 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**

June 3, 2009

Ms. Chairwoman 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 delivers, 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 the quality of local 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) 2010. I will specifically address three programs: 1) Watershed and Flood Prevention Operations, 2) Emergency Watershed Protection, and 3) Watershed Rehabilitation.

In August 2009, NRCS will mark the 55th anniversary of the Watershed Protection and Flood Prevention Act of 1954 (Public Law 83-566), which established the foundation for 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 approximately 2,000 watershed projects nationwide, thereby helping local communities construct 11,000 flood control structures. The structures 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, controlling soil erosion and sedimentation, and improving community water supply.

Through the NRCS water resource programs, thousands of communities across the country improve natural resources, restore fish and wildlife habitat, mitigate flood damages, and accelerate economic development. These 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 partnerships and acquire funding.

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 ecosystems of the watershed, and has served as a source of funding, to implement these projects. The local sponsoring organizations submit an application for

Federal assistance, assure public participation, make project planning and implementation decisions, obtain land rights and permits, provide local cost-share funds, operate and maintain project measures, and carry out all phases of the project installation according to NRCS policy. Once completed, the projects are owned by the local sponsor, and local sponsors are responsible for project operation and maintenance.

Fiscal Year 2010 Budget Proposal

The President's FY 2010 budget includes \$40.2 million in funding for the Watershed Rehabilitation program, a small increase over the FY2009 funding level; does not recommend new funding for the Emergency Watershed Program, which received \$490 million in 2008 supplemental funding last year; and does not include funding for the Watershed and Flood Prevention Operations program. In recent years, Congress has earmarked virtually all of this program, meaning that the Natural Resources Conservation Service (NRCS) is unable to prioritize allocation of these funds or direct funding to projects that are cost-effective. In addition, most benefits from these projects are highly localized and we anticipate unfinished projects will continue to receive local support from project sponsors. Summaries of the Watershed and Flood Prevention Operations, Emergency Watershed Protection, and Watershed Rehabilitation programs are as follows:

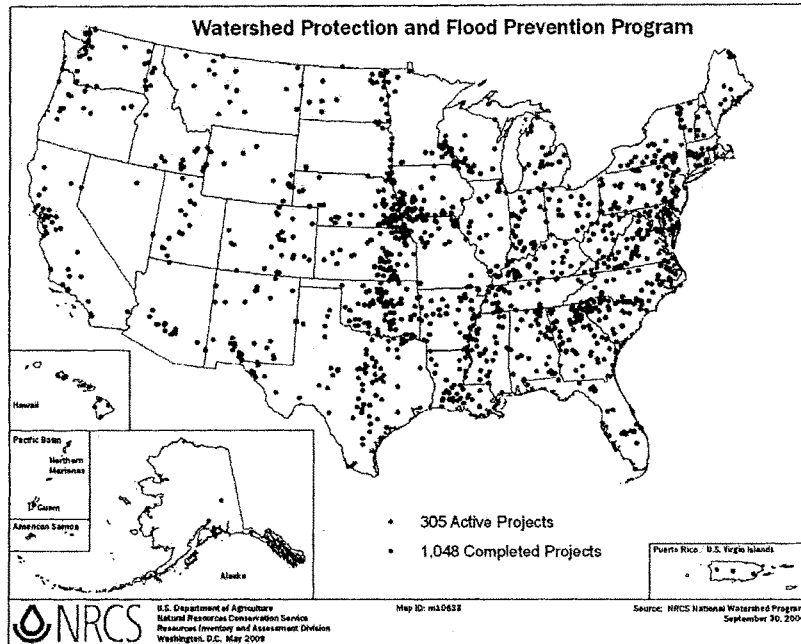
Watershed and Flood Prevention Operations

The Watershed and Flood Prevention Operations Program consists of projects authorized under two authorities: the Flood Control Act of 1944 (P.L. 78-534) and the Watershed Protection and Flood Prevention Act of 1954 (P.L. 83-566).

The Flood Control Act of 1944 authorized 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. Below is a map showing the completed and active watershed projects across the United States:



For a number of years, NRCS has had little ability to actively manage the Watershed Flood Prevention and Operations program because it has been nearly 100 percent earmarked through the annual appropriations process in recent years. This prevents NRCS from using its merit-based criteria to select projects that address national priorities and accrue the greatest environmental benefit.

In addition, NRCS can provide non-structural land treatment assistance through other programs it administers, including the Conservation Technical Assistance Program and the Environmental Quality Incentives Program. Using these programs for non-structural land treatment practices will lessen the impact of the elimination of funding for the Watershed and Flood Prevention Operations Program.

For these reasons, and because most benefits from these projects are highly localized, the FY 2010 President's Budget does not include funding for this program. We anticipate unfinished projects will continue to receive local support from project sponsors.

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 develops 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 because of erosion caused by flooding.

Allow me to offer a brief example of the kind of work we accomplish through EWP. On May 10, 2009, the Governor of Kentucky declared a state of emergency due to a devastating flood event that affected 12 counties. NRCS damage assessment teams entered the affected area on May 11 to complete initial damage assessments alongside county officials and emergency management personnel. By May 15, 2009, NRCS had completed damage estimates in seven counties for nearly \$5,000,000. In addition, NRCS provided exigency funding to carry out work in areas where there was a threat to life and property:

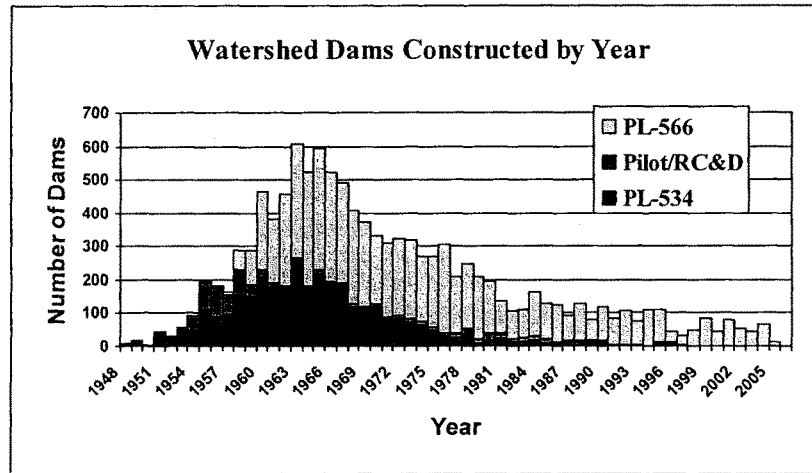
- In Pike County, a bridge had collapsed into the stream, and through EWP assistance, the debris was removed so the county could restore temporary access to allow families to get to their homes.
- In Pikeville, Kentucky, a road bank had washed away and caused the road to slip. This road provides access to over 500 homes, and the damage disrupted school bus and emergency rescue traffic. Through EWP, \$330,000 was provided to clear the mudslides, remove trees from the stream, and redirect the stream channel away from the road back to its original path.

In each of these situations, NRCS designed all the necessary engineering solutions, surveyed the area for potential impacts to unknown archeological resources, consulted with the U.S. Fish and Wildlife Service to avoid impacts to threatened and endangered species; and provided onsite construction inspection.

EWP received \$490 million in supplemental funding in FY 2008; as ample funding has been provided through emergency supplemental appropriations, the FY 2010 President's Budget does not propose funding for this program.

Watershed Rehabilitation

Since 1948, over 11,000 flood control dams have been built in the 2,000 watershed 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 2008 Farm Bill, NRCS has 135 dams are completed or under construction. NRCS is actively helping local communities rehabilitate aging dams, with the average dam rehabilitation cost roughly at \$1.8 million. These dams were originally constructed with NRCS assistance but are owned, operated, and maintained by local sponsors.

Two examples of successful rehabilitation projects include:

- The Martinez Creek Watershed Dam No. 6A outside San Antonio, Texas. Originally constructed as a low hazard dam, the population growth around this structure caused it to be reclassified as a high hazard dam. Local sponsors requested assistance from NRCS to bring the dam up to high hazard safety standards. Rehabilitation of site 6A began in 2007 and was completed in 2008 at a cost of approximately \$2.5 million. The local sponsor provided 35 percent of the project cost, in accordance with statutory requirements.
- Second Creek Dam 12 near Natchez, Mississippi was constructed in 1968 with a low hazard classification. Since then, several homes have been built downstream, raising the hazard class to high. Local sponsors requested technical and financial assistance from NRCS to help rehabilitate the dam to meet the dam safety design criteria for high hazard structures. The rehabilitated dam will provide 100 years

of continued flood protection, reducing threat to loss of life from sudden dam failure for the residents in the Second Creek Watershed.

The President’s budget request for FY 2010 includes approximately \$40.2 million in discretionary spending for Watershed Rehabilitation, a small increase over the 2009 enacted funding level. In addition, the President’s budget request proposes \$135 million in mandatory spending in 2010. This funding would be used both for planning and assessments of high hazard dams, as well as on-the-ground structural rehabilitation work. No mandatory funding was provided for Watershed Rehabilitation by Congress in FY 2009.

American Recovery and Reinvestment Act of 2009

The Recovery Act provided funding for three NRCS water resources programs:

Watershed Rehabilitation Program	\$ 50,000,000
Watershed and Flood Prevention Operations Program	\$145,000,000
Floodplain Easements - Emergency Watershed Protection Program	\$145,000,000

Our goal is to obligate 50 percent of these funds by then end of June this year. We have made significant strides toward reaching that goal and toward the Administration’s objectives of economic recovery and job creation.

For Watershed Rehabilitation, 27 projects in 11 States have been selected to receive \$45 million in Recovery Act funding. Eighty-one projects in 26 States and the Northern Marianas have been selected to receive just over \$127 million in Recovery Act funding under the Watershed and Flood Prevention Operations Program. Priority for funding projects for these two programs was based on NRCS’s merit-based project-ranking models which were used to identify and select the most cost-effective and highest priority projects to meet the objectives of the programs.

NRCS announced a nationwide sign-up for Floodplain Easements—Emergency Watershed Protection Program Recovery Act funding on March 9, 2009. The application deadline for North Dakota and Minnesota were extended until May 1st to allow additional time because of on-going flooding events. Over 4,200 applications representing over \$1.4 billion in requests for floodplain easements have been received from 46 States and Territories. On June 2, USDA announced the selection of 289 applications for Floodplain Easements funding. These easements will cover more than 36,000 acres in 36 states.

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 2010, we 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 for inviting me here today and would be happy to respond to any questions.

**OPENING STATEMENT OF
THE HONORABLE RUSS CARNAHAN (MO-03)
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
U.S. HOUSE OF REPRESENTATIVES**

Hearing on
Agency Budgets and Priorities for FY 2010 (Part 2)

Tuesday, June 16, 2009, 2:00 pm
2167 Rayburn House Office Building

Chairwoman Johnson, thank you for holding this hearing today regarding the administrations budget proposals for fiscal year 2010. I would also like to thank the witnesses from the U.S. Army Corps of Engineers, the U.S Sector of International Boundary and Water Commission, and the Agency for Toxic Substances and Disease Registry. Your presence and testimonies are greatly appreciated.

When looking at the various budget proposals for fiscal year 2010, I am pleased with many of the programs that have been prioritized. There has been an overall level of growth for programs within the jurisdiction of the Transportation and Infrastructure Committee, which is a refreshing relief and indicates the potential for economic growth.

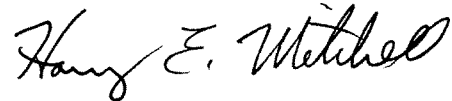
I am pleased that the U.S International Boundary and Water Commission has been targeted for increased funding. With the important responsibility of directing boundary and water treaties between the United States and Mexico, this agency plays an influential role important border issues that are often neglected.

There is also a proposed budgetary increase for the Agency for Toxic Substance and Disease Registry. Recently, this agency has emphasized a focus on pathways for possible chemical exposure. An increase in this agency's budget will allow them to effectively employ their tasks of public protection from chemical exposure, and encouraging greater knowledge of toxic substances.

The agency that I am most concerned with is the Army Corps of Engineers. Its budget proposal falls below what many experts in the field consider to be acceptable for promoting projects catered to developments of the future. While this new budget does indicate the emphasis on operations and maintenance, it compromises other important priorities of the Corps, specifically the Mississippi River and Tributaries goals. As one of the representatives of Missouri whose district is bordered by the Mississippi River, I am frustrated by this concession and hope that we can discuss it as one of the many ways in which the Army Corps of Engineers is repeatedly denied the funding that it needs.



In closing, I'd like to thank the members of the panel for testifying today. I hope that we can use the information gathered to move forward constructively in order to ensure that funding needs are addressed and scrutinized.

A handwritten signature in black ink that reads "Harry E. Mitchell". The signature is written in a cursive style with a large, prominent "H" and "M".

Statement of Rep. Harry Mitchell
House Transportation and Infrastructure Committee
Subcommittee on Water Resources and Environment
6/16/09

--Thank you Madam Chairwoman.

--Today we are examining the President's budget request for the Agency for Toxic Substances and Disease Registry (ATSDR).

--The ATSDR is the nation's public health agency for chemical safety and is charged with taking responsive action for mitigating harmful exposures and related disease.

--The FY2010 budget request seeks funding for public health activities to help prevent and alleviate future exposures, while also maintaining health surveillance and registries.

--The request also seeks funding for epidemiologic studies of health conditions caused by non-occupational exposures to uranium released from past mining and milling operations on the Navajo Nation.

--I look forward to hearing from our witnesses.

--I yield back.

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DEPARTMENT OF THE ARMY CORPS OF ENGINEERS

COMPLETE STATEMENT

OF

**LIEUTENANT GENERAL ROBERT VAN ANTWERP
CHIEF OF ENGINEERS
U. S. ARMY CORPS OF ENGINEERS**

BEFORE

**THE SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES**

ON

**AGENCY BUDGETS AND PRIORITIES FOR
FISCAL YEAR 2010**

FOR

THE ARMY CIVIL WORKS PROGRAM

June 16, 2009

Chairwoman Johnson 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 United States Army Corps of Engineers' Civil Works Program.

My statement covers the following 5 topics:

- Summary of FY10 Program 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 request 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 that the Corps does for other agencies and entities with those agencies' and entities' 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 and the operation and maintenance programs, and for proposed projects undergoing preconstruction engineering and design. 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 aquatic ecosystems. Additionally, it emphasizes the need to fund emergency preparedness and training 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 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 totally reimbursed by the Agencies and entities that seek our assistance.

Currently, we provide reimbursable support for 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 \$2.084 million in the Mississippi River and Tributaries account.

This year the budget includes three new watershed studies, Ocmulgee River Basin Watershed, Georgia; Green River Watershed, Kentucky; and St. Louis Missouri River Watershed, Missouri; and a study addressing Access to Water Data. The Budget also includes \$2 million for a high-priority, interagency evaluation of the Nation's vulnerability to damage from flooding, the Water Resources Priority study, as authorized in Section 2032 of the Water Resources Development Act of 2007 (WRDA 2007).

CONSTRUCTION PROGRAM

The Fiscal Year 2010 Budget includes \$1.718 billion in discretionary funding in the Construction account and \$87.343 million in the Mississippi River and Tributaries account to further this objective.

The Budget funds 93 construction projects, including 10 dam safety assurance, seepage control, and static instability correction projects, 9 projects that address a significant risk to human safety, and 8 project completions. Also, the Budget provides significant funding for Corps aquatic ecosystem restoration efforts in South Florida including the Everglades, and in the Columbia River Basin and the Missouri River Basin, where this work supports the continued operation of Corps of Engineers multi-purpose projects by meeting the requirements of the Endangered Species Act.

This budget includes funding for 5 new, high performing, construction projects. These include Washington D.C. and vicinity flood risk reduction project; the Deep Creek Bridge Replacement, Virginia project on the Atlantic-Intercostal Waterway; the Norfolk Harbor, Craney Island, Virginia project; the Kansas City, Missouri and Kansas City, Kansas flood risk reduction project; and the Napa River Salt Marsh, California environmental restoration project.

The Budget uses objective performance measures to establish priorities among projects, and through continued proposed changes in the Corps contracting practices, that will also increase control over future costs. The performance measures used include the benefit-to-cost ratios for projects whose primary outputs are economic and are measured by 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 criterions, 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 in the O&M account and an additional \$158.573 million under the Mississippi River and Tributaries program. The Corps used objective performance criteria to allocate operation and maintenance funds to facilities. These criteria considered both the condition of the project and the potential consequences for project performance if the O&M activity is not undertaken in the 2010 Budget. The focus is 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. Other 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.

VALUE OF THE CIVIL WORKS PROGRAM TO THE NATION

We are privileged to be a part of an organization that directly supports 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.


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, Chairwoman Johnson and Members of the Subcommittee. This concludes my statement.

	<p>Testimony before the Subcommittee on Water Resources and Environment Committee on Transportation and Infrastructure U.S. House of Representatives</p>
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<p>Agency Budgets and Priorities for FY 2010</p> <p>Statement of Howard Frumkin, M.D., Dr.P.H. Director Agency for Toxic Substances and Disease Registry and National Center for Environmental Health Centers for Disease Control and Prevention U.S. Department of Health and Human Services</p>



For Release on Delivery
Expected at 2 p.m.
Tuesday, June 16, 2009

Good afternoon Chairwoman Johnson and other distinguished members of the Subcommittee. On behalf of the new Director of the Centers for Disease Control and Prevention and Administrator of the Agency for Toxic Substances and Disease Registry, Dr. Thomas R. Frieden, I would like to thank you for the opportunity to be here today. I am Dr. Howard Frumkin, Director of the Agency for Toxic Substances and Disease Registry (ATSDR) and the Centers for Disease Control and Prevention's (CDC's) National Center for Environmental Health (NCEH).

I am a physician with 27 years of experience in environmental and occupational medicine and epidemiology. I have been Director of NCEH/ATSDR since September 2005. Previously, I served as chairman of the Department of Environmental and Occupational Health at Emory University's Rollins School of Public Health and professor of medicine at Emory Medical School.

In my dual role with NCEH and ATSDR, I have the opportunity to lead a highly dedicated group of people as they seek to provide answers on a wide variety of issues related to human health and the environment. And, we are working to identify and protect the public from environmental exposures to hazardous substances.

Today, I will provide a brief overview of ATSDR's scientific and programmatic activities. I will also discuss ways in which ATSDR is taking a fresh look at how we can serve communities concerned about toxic exposures.

The ATSDR Story

ATSDR is the principal non-regulatory federal public health agency responsible for addressing health effects associated with toxic exposures. The Agency's mission is

to serve the public through responsive public health actions to promote healthy and safe environments and prevent harmful exposures.

The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, more commonly known as the Superfund law, established ATSDR and the agency was organized a few years later. CERCLA reflected congressional and public concern with toxic chemicals, particularly hazardous waste, in the aftermath of such environmental disasters as Love Canal (New York) in the late 1970s.

ATSDR was charged with implementing the health-related provisions of CERCLA. CERCLA, and the subsequent Superfund Amendments and Reauthorization Act of 1986—or SARA—assigns ATSDR four responsibilities, each of which is described in more detail below:

- *Protecting the public's health from toxic chemicals*
- *Building the science base on toxic chemicals*
- *Providing information on toxic chemicals to health professionals and the public*
- *Establishing and maintaining registries*

Protecting the Public's Health from Toxic Chemicals

A core function of ATSDR is assessing potential health hazards posed by hazardous waste sites and making recommendations for protecting public health. This is a mandated function in the case of Superfund sites and discretionary in the case of other hazardous waste sites. ATSDR site-specific work is presented in one of several forms: Public Health Assessments, Public Health Consultations, Exposure Investigations, and Technical Assists.

In addition, ATSDR can help inform public health protection from chemical exposures in settings other than hazardous waste sites, circumstances that are collectively referred to as "releases." These releases may range from chemical plant explosions to a spill of coal combustion products. They can be those identified by government agencies or by individuals within the community through the petition process.

ATSDR responds to emergencies involving the release of chemicals, most often in collaboration with the Environmental Protection Agency. ATSDR personnel provide real-time public health guidance following acute releases of hazardous substances and health information to the public (for example, helping determine when people can safely reoccupy their homes and businesses after an evacuation).

ATSDR's work in protecting public health is highly productive. The Agency, in cooperation with state health agencies, issues between 300 and 400 Health Assessments and Health Consultations and provides more than 1,000 Technical Assists each year. During the period 1995-2006, 73% of its recommendations were implemented by Federal, state and local authorities.

ATSDR has a strong track record of public health practices and recommendations based on the best available science, even in sometimes controversial, highly charged situations. Several examples are illustrative:

- Montana: Vermiculite mined by the W.R. Grace Company in Libby, Montana, was contaminated with tremolite asbestos. EPA and the Montana congressional delegation requested that ATSDR evaluate human health concerns related to asbestos exposure in Libby. ATSDR has conducted a number of activities in the

community, including: a screening program to identify people whose health may have been impacted by exposure to asbestos; a mortality review that compared asbestos-associated death rates for residents of the Libby area with those in Montana and the United States; and a Tremolite Asbestos Registry, a listing of individuals with asbestos-related disease or those at high risk of developing asbestos-related disease because of exposure to asbestos. ATSDR continues to be actively involved with the site and the community, joining in June of 2008 with EPA to establish the Libby Health Risk Initiative, a program to add to the understanding of health effects of exposure to Libby asbestos.

- New Jersey: The Kiddie Kollege Day Care Center in Franklin Township, New Jersey, was housed in a former thermometer factory, exposing children and staff to mercury. In 2007, ATSDR worked with New Jersey health and environmental officials and staff at the nearby Pediatric Environmental Health Specialty Unit, a university-based effort funded partially by ATSDR, to assess the exposures. Initial findings included elevated levels of urinary mercury in 31 percent of children and 33 percent of adults tested. Follow-up testing after exposure had stopped showed that levels had been greatly reduced to below the reference values. New Jersey has since enacted legislation establishing stringent criteria before building permits can be issued for day care or educational institutions in environmentally high risk sites. Congress subsequently directed ATSDR to prepare a report on children's exposure to mercury, and that report was completed and submitted to Congress.¹

- Ohio: City View Center, a shopping center in Cuyahoga County, Ohio, was built on the site of a former landfill. In 2008, air monitors detected explosive levels of methane and other combustible gases. Based on the available information, ATSDR rapidly concluded that an urgent public health hazard was present, and recommended that immediate action be taken. ATSDR's finding provided the Ohio EPA, the Ohio Attorney General, and the U.S. EPA with further grounds for compelling the property owner to install an active vapor extraction system on the landfill to reduce the migration of gases into the shopping center.

Building the science base on toxic chemicals

ATSDR's applied research includes toxicologic and epidemiologic research. In some cases, ATSDR conducts this research in-house; for example, ATSDR scientists have developed innovative techniques of computational toxicology to help rapidly assess hazards of chemical releases. ATSDR's development and use of complex water modeling to reconstruct past exposure to contaminated drinking water at Camp Lejeune, North Carolina, is another example of groundbreaking work.² In other cases, ATSDR identifies critical toxicologic data needs and works with other federal agencies, as well as state agencies, universities, and volunteer organizations to fill those needs.

A key feature of ATSDR's scientific research is that it often grows out of site-specific public health activities. In addition to the work I have already mentioned in Libby, Montana, ATSDR investigated a cluster of cases of polycythemia vera, a rare blood disease, in Pennsylvania, the respiratory effects of exposure to toluene di-

isocyanate, an air pollutant, in North Carolina, and the respiratory effects of exposure to construction and demolition landfill emissions in Ohio.

In addition to original research, ATSDR assembles existing data on toxic chemicals. ATSDR's *Toxicological Profiles* are thorough reviews of available toxicological and epidemiologic information on specific chemicals that ATSDR health assessors and other responders use to identify contaminants and potential health effects that may be of concern at hazardous waste sites. They are widely used by scientists and members of the public.

Providing Information on Toxic Chemicals to Health Professionals and the Public

A third function of ATSDR is to provide health professional and community education through direct service at the community level, and through broader distribution of materials through the internet and other mechanisms. For example, ATSDR's ToxFAQs is a series of summaries of information about hazardous substances. These are user-friendly documents excerpted from *Toxicological Profiles*, particularly from the Public Health Statements contained in each profile. Each ToxFAQ provides plain language information about exposure to hazardous substances found around hazardous waste sites and the effects on human health. ATSDR also develops and provides medical education to assist health professionals in diagnosing and treating conditions related to hazardous exposures.

Establishing and Maintaining Registries

The fourth function assigned to ATSDR is establishing and maintaining registries—confidential databases designed to collect, analyze, and track information about groups of people who share defined exposures or illnesses. ATSDR also provides information to registrants about health services and other services available to them through other sources. Current registry activities include Libby, the World Trade Center (WTC), amyotrophic lateral sclerosis (ALS), and post-Hurricane Katrina trailer residents.

ATSDR—A Culture of Continuous Improvement

ATSDR has undergone a great deal of scrutiny in the past year. Consequently ATSDR has aggressively sought independent external reviews of its programs and processes and has implemented changes in response. With respect to management practice, CDC commissioned an outside review of ATSDR management, which found the same kinds of management and workforce concerns common to similarly sized CDC centers but no significant or systemic problems.³ Specific opportunities for improvement were identified, and we have implemented a solid management improvement plan. With respect to scientific peer review and document clearance policies, the NCEH/ATSDR independent Board of Scientific Counselors examined our procedures and found them to be sound.⁴ Again, specific opportunities for improvement were identified and implementation is underway. With regard to other procedures, improvements continue to be made: more accurate and clear language in the conclusions in Public Health Assessments; replacing an outdated data management

system with a contemporary, Web-based software package; converting Toxicological Profile updates to a real-time, Web-based system; and more.

We are also looking back at sites ATSDR where has worked with in the past to assess whether previous work needs to be updated or, in some cases, corrected. Three such sites under current review are Vieques, Puerto Rico, Midlothian, Texas, and Camp Lejeune, North Carolina.

ATSDR—A Fresh Look at How to Serve Communities

When ATSDR was established, the primary focus was on responding to health concerns from exposures related to hazardous waste sites being addressed under CERCLA. Through work with these sites, ATSDR's scientists have developed unique skills. In recent years, ATSDR has found an increasing demand for those skills in other areas related to hazardous exposures. These areas include additional work with Brownfield sites as ATSDR works with states and communities to bring public health considerations into redevelopment decisions. They also include emergency response situations involving potential exposures to hazardous chemicals. And finally, ATSDR receives a wide variety of requests from federal, state, and local agencies and individuals for assistance in responding to health concerns related to many kinds of hazardous exposures. We find that community interest is increasing rather than decreasing.

The FY 2010 President's Budget requests \$77 million for ATSDR, an increase of \$3 million above FY 2009, including the addition of 14 full-time equivalent employees. Of this budget increase, \$2 million is directed toward studies of non-occupational

exposures to uranium on the Navajo Nation. This budget request is consistent with appropriations for the past five years. ATSDR will continue to strive to meet its mission through increased efficiencies and productivity and the efforts of a dedicated staff.

In responding to this changing landscape, we are taking a fresh look at how ATSDR can serve communities with concerns about toxic exposures. ATSDR is undertaking major efforts to improve our abilities to meet those needs and to meet new challenges in the future through a review of the overall approach to carrying out our mission.

The many changes that have occurred in chemical science and technology during the quarter century of ATSDR's existence make this re-examination more compelling. Together these changes have revolutionized the context within which ATSDR works to protect the public from chemical hazards.

- *Analytic chemistry* tools now permit measurement of progressively lower levels of chemicals.
- *Biomonitoring*, the direct measurement of chemicals in people's body fluids, has advanced tremendously, enabling scientists to identify and quantify exposures.
- The *genetic revolution* and the emergence of the "omics" (genomics, proteomics, metabolomics) offer the potential to study gene-environment interactions, and to understand exposures and health effects at an individual level.
- *Toxicologic advances* such as computational and in vitro methods offer enormous opportunities for insight into chemical action, more rapidly and at less expense than ever before.

- *Green chemistry* represents an innovative approach that seeks to design and produce environmentally safe chemicals, avoiding the toxic effects on which ATSDR's work has focused.

Together, these considerations make clear that a re-evaluation of ATSDR's approach is timely and appropriate. Moreover, the responsibility of protecting the public from toxic chemicals does not rest with ATSDR alone. Several other agencies share in this responsibility, and many other stakeholders—industry, environmental groups, community groups, professional associations—play essential roles.

In fact, review of the nation's efforts to protect the public from chemical hazards over the last four decades—an effort that includes ATSDR but extends well beyond—reveals a mixed record of success. As a nation, we have achieved some notable successes but are still working to improve data collection, draw consistent conclusions, launch protective actions, and inform stakeholders. Various agencies and organizations—governmental and nongovernmental, regulatory and non-regulatory—carry out public health functions related to chemical exposures. These functions include exposure and health surveillance, investigation of incidents and releases, emergency preparedness and response, regulation, research, and education. There are numerous opportunities to make improvements to increase coordination. Some key responsibilities are not carried out adequately, while others are needlessly redundant. ATSDR's mission and functions must be considered within this broader context.

Several years ago, we took a first step forward by bringing ATSDR and CDC's National Center for Environmental Health into a closer working relationship by combining the management structures of the two organizations. This has allowed our

scientists ready access to unique technical knowledge and skills and facilitated more seamless collaboration. This collaboration has also allowed them to work together on complex environmental health responses as varied as responding to the aftermath of Hurricane Katrina and developing an understanding of potential health implications of drywall from China.

To further this collaboration, and take a more comprehensive look, ATSDR and NCEH have recently initiated the *National Conversation on Public Health and Chemical Exposures*. This initiative will convene a wide range of stakeholders over one to two years, including government agencies, community groups, industry, environmental groups, public health groups, and others. Various stakeholder groups are already highly supportive. I expect this effort to yield an action agenda for revitalizing the public health approach to chemical exposures. Part of this agenda will offer direction for ATSDR as it moves into its second quarter century.

Conclusion

ATSDR is an agency with a relatively short history, but a history that spans much of this nation's response to health concerns resulting from hazardous environmental exposures.

ATSDR has worked diligently to address the needs and concerns of communities and the people in those communities. Few federal agencies have a stronger track record in working "on the ground" serving local communities. The Agency has developed innovative tools and skill sets in carrying out its mission. ATSDR has

assembled a strong record of accomplishment—protecting health near hazardous waste sites, advancing science, and educating health professionals and the public.

I am committed to ongoing improvement in every aspect of ATSDR's work, enabling us to achieve the goals assigned by Congress and deserved by the American public: protecting public health from dangerous chemical exposures.

Endnotes

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**Statement of C.W. "Bill" Ruth
United States Commissioner**

**International Boundary and Water Commission
United States and Mexico**

**Before the Committee on Transportation and Infrastructure
Subcommittee on Water Resources and the Environment
U.S. House of Representatives
June 16, 2009**

Chairwoman Johnson, Ranking Member Boozman, and Members of the Committee, thank you for the opportunity to appear before you today to discuss the U.S. Section of the International Boundary and Water Commission's Fiscal Year 2010 budget request and our priorities for using the funds appropriated to us to improve infrastructure and the quality of life along the U.S.-Mexico border.

The International Boundary and Water Commission (IBWC) is an international body composed of a U.S. Section and a Mexican Section. Each Section is administered independently of the other. The U.S. Section (USIBWC) is a quasi-independent federal government agency headquartered in El Paso, Texas that operates under the foreign policy guidance of, and is funded through, the Department of State.

The IBWC has over a century of experience in bi-national cooperation and partnership. We trace our roots to the temporary boundary commissions established by the Treaty of Guadalupe Hidalgo, the Gadsden Treaty, and an 1882 Convention to survey, mark, and map the new international boundary between the United States and Mexico. The International Boundary Commission (IBC), our direct predecessor, was established in 1889 to apply rules established by the United States and Mexico for determining the location of their shared boundary when tracts of land were transferred from one bank of the river to the other due to changes in the bed of the Rio Grande and Colorado River and to settle any differences that might arise concerning the boundary line. The IBC prepared the hydrological studies that formed the basis for the first water allocation treaty between the United States and Mexico in 1906 and the second water allocation treaty in 1944, under which the IBC became known as the IBWC.

Today, the IBWC is charged with applying U.S.-Mexico boundary and water treaties and settling differences that arise in their application. The U.S. and Mexican Commissioners are responsible for developing joint recommendations to the two governments for resolution of current and anticipated boundary and water problems arising along the 1,952 mile border, including the southern borders of Texas, New Mexico, Arizona, and California.

The IBWC is engaged in a number of joint cooperative activities, including: demarcation of the land boundary, ports of entry and international bridges; preservation of

the river boundary; operation and maintenance of international flood control projects and associated diversion dams; operation and maintenance of international storage dams and associated hydro-electric power generation plants; determination and accounting for national ownership of the waters of the Rio Grande and Colorado River; construction, operation and maintenance of three wastewater treatment facilities; ownership of three international bridges in the El Paso/Ciudad Juarez area; investigations and studies, including water quality monitoring and data exchange; and approval of all plans for new international bridges, border crossings, and pipelines that cross the international boundary.

The President's FY 2010 Budget requests a total of \$76.25 million for the USIBWC, including \$33 million for the Salaries and Expenses (S&E) Account and \$43.25 million for Construction. The S&E request covers expenses related to the salaries and expenses for a staff of 295 and administrative costs of the U.S. Section, as well as the funds needed for the continued operation and maintenance of the U.S. portion of bi-national infrastructure along the U.S.-Mexico border, pursuant to treaties and other agreements between the United States and Mexico that are within the purview of the IBWC.

To carry out its duties, the USIBWC has eleven field offices that span the border from San Diego, California to Brownsville, Texas. Staff in these offices operate and maintain a myriad of projects, including many operated jointly with Mexican Section personnel based in companion offices on the Mexican side of the border. Of the \$33 million request, over \$23.5 million would be allocated for the cost of continued operation and maintenance (O&M) of existing infrastructure and bi-national projects. This activity finances the measurement and determination of the national ownership of boundary waters and the U.S. share for O&M of three international wastewater treatment plants, two major international storage dams, with associated hydroelectric power plants, four diversion dams, river channel and levee projects, water quality control efforts, and boundary demarcation activities.

The remaining amount that is requested for the S&E Account includes over \$6.8 million for administration, which covers negotiations and supervision of joint projects with Mexico to solve international boundary, water, and environmental problems; overall management of the USIBWC; formulation of operating policies and procedures; and financial management and administrative services to carry out international obligations of the United States pursuant to treaty and congressional authorization. Over \$2.6 million is included in the S&E Account to cover technical engineering guidance and supervision of planning and construction of new projects; environmental monitoring and compliance; studies relating to international problems of a continuing nature; and preliminary surveys and investigations to determine the need for and feasibility of future projects designed to resolve international problems arising along the boundary.

The FY 2010 President's Budget requests \$43.25 million for the Construction Account. Of this amount, \$21.4 million is requested for flood control rehabilitation efforts to continue with upgrades to the aging levees in the USIBWC's Rio Grande flood control projects along the upper and international reaches of the Rio Grande, which have impacts in

New Mexico and Texas. Levee rehabilitation is one of the USIBWC's top priorities. These upgrades, which include structural improvements and raising the height of levees, are needed to provide protection for communities along the Rio Grande during a 100-year flood event in accordance with criteria established by the Federal Emergency Management Agency (FEMA) and to enable certification to FEMA standards, thus alleviating the need for border residents to purchase costly flood insurance.

The USIBWC flood control system consists of over 500 miles of levees and interior floodways, segments of which date to the 1930s and 1940s, as part of a bi-national flood control effort undertaken with Mexico in order to preserve the Rio Grande as the international boundary between the two countries and to protect lives and property of U.S. and Mexican residents on both sides of the river. The U.S. and Mexican Sections of the IBWC are responsible for the maintenance of the levees and floodways along the international reach of the Rio Grande that are located in their respective territory.

Major improvements to the Lower Rio Grande Flood Control Project were undertaken by both countries in the 1970s after a 1967 hurricane revealed the need for enhanced flood protection. Between 1938 and 1943, the USIBWC also constructed and now maintains the levee system in the Rio Grande Canalization Project located in Texas and New Mexico upstream from the international boundary. This project facilitates the delivery of Rio Grande water to Mexico in accordance with a 1906 Convention, provides protection of lands along the project from floods, and regulates and controls the water supply for use in the United States and Mexico.

The USIBWC began a multi-year program to rehabilitate its levee system in 2002 after airborne and surface geophysical surveys suggested that there were significant structural and height deficiencies. We prioritized levee segments in the Upper and Lower Rio Grande Valley based upon greatest impact to the largest number of residents, the greatest economic benefit, and the segments ready for FEMA certification.

With prior-year appropriations and with the funding appropriated to the USIBWC under the American Recovery and Reinvestment Act of 2009, we have been able to complete the majority of pre-construction work, i.e. geo-technical analysis, environmental assessments, cultural resource surveys, and design for the majority of segments in the Upper and Lower Rio Grande Valleys. We will begin construction this fall using Recovery Act funding and expect to complete most of that levee rehabilitation work in Dona Ana County, New Mexico and in El Paso, Hudspeth, and Hidalgo Counties in Texas by the end of calendar year 2010. Projects funded in FY 2010 to finish levee work in all high impact areas should be completed by September 2011.

Using USIBWC's own crews we have also raised the Rio Grande levee system in Cameron County, Texas. Additional in-house construction is currently underway in Dona Ana County, New Mexico and El Paso County, Texas, using prior year appropriations. Using funding appropriated under the Disaster Relief and Recovery Supplemental

Appropriations Act, 2008, we have completed emergency repairs on 2.5 miles of levees that we maintain in Presidio, Texas that were damaged by heavy flooding in September 2008.

Funding appropriated in FY 2010, will be used to construct approximately 8.2 miles of flood control levee and floodwall improvements in the Upper Rio Grande at Canutillo, Texas and immediately upstream of American Dam at the cities of Sunland Park, New Mexico and El Paso, Texas. In FY 2010 the USIBWC will continue to develop design plans for improvements along the interior floodways and construct improvements along the river levee in the Lower Rio Grande region. The agency will also work toward acquiring easements, preparing design plans, and constructing improvements in the Upper Rio Grande Flood Control System. The USIBWC plans to begin design work for levee improvement of the Presidio Flood Control Project after conclusion of geotechnical investigations.

Another one of my top priorities is to complete the South Bay International Wastewater Treatment Plant, in San Diego, California, for which we have requested \$6 million in FY 2010. This funding will allow the USIBWC to construct an administration building and laboratory facilities for the treatment plant. In 1997, the USIBWC completed construction of the advanced primary treatment portion of the South Bay plant, which treats up to 25 million gallons per day of wastewater from Tijuana that would otherwise flow into the United States, mainly via the Tijuana River. In the interest of addressing public health and environmental concerns as expeditiously as possible, the USIBWC and the Environmental Protection Agency decided to construct the South Bay plant in stages and operate the advanced primary plant and discharge effluent into the ocean prior to the construction of secondary treatment facilities. The USIBWC awarded a construction contract in 2008 to upgrade the existing plant to secondary standards as required by the Clean Water Act and court order. The secondary treatment component is currently under construction and is scheduled to come on-line in November 2010, thus bringing the plant into compliance with its discharge permit and the Clean Water Act.

The Construction Account request includes \$5 million for our Safety of Dams program. Recent Safety of Dams inspections have identified seepage problems at the two large international storage dams on the Rio Grande – Amistad and Falcon. This funding will be used for the U.S. share of the cost required to conduct further bi-national investigations to determine viable remediation options to address these safety concerns. The IBWC's technical advisors have rated Amistad Dam as "urgent, potentially unsafe" and Falcon as "high priority, conditionally unsafe." About 98% of water used in the Lower Rio Grande Valley is released from these two reservoirs, providing potable water for 1.5 million U.S. and Mexican border residents, averaging \$95 million in irrigation benefits, \$29 million in municipal and industrial water supply benefits, and \$55 million in recreation/fish and wildlife benefits. Failure of either of these dams would place the lives of U.S. residents at risk and have catastrophic consequences in terms of damage to property and the economy in the Lower Rio Grande Valley.

The USIBWC and the City of Nogales, Arizona are co-owners of the Nogales International Wastewater Treatment Plant, which is located in Rio Rico, Arizona, and provides treatment of sewage for both Nogales, Arizona and Nogales, Sonora, Mexico. We are requesting funding in FY 2010 to initiate needed repairs and replacement of the Nogales International Outfall Interceptor (IOI), which is the pipe that conveys wastewater from Nogales, Sonora, Mexico and Nogales, Arizona to the Nogales International Wastewater Treatment Plant. Constructed in 1970-71, the 9-mile long pipe has severely deteriorated over time, developing many cracks and structural problems. Increased demand due to population growth on both sides of the border has produced a hydraulic capacity problem in the conveyance system. The IOI must be repaired and/or in-part replaced to avoid adverse environmental impacts and to ensure reliable operation of the wastewater collection and treatment system. Repair and replacement of the IOI is envisioned as a multi-year project. The USIBWC is currently working with its stakeholders and other agencies to develop a cost-sharing plan for design and rehabilitation of the IOI. The FY 2010 request would amount to \$750,000, which represents USIBWC's assumed 50 percent share of the project's design costs.

We have requested \$3 million in the FY 2010 Construction Account to begin a four-year project to reconstruct the American Canal. Located at El Paso, Texas, the American Canal is 1.5 miles in length and was built by the United States in 1938 to divert and convey the U.S. share of Rio Grande waters to U.S. users for municipal and agricultural use. In addition to water conservation, the canal prevents U.S. waters from being illegally captured or diverted in the international segment of the Rio Grande. The concrete-lined canal has severely deteriorated over time, exhibiting numerous cracks, separated panels, and embankment voids, which puts the canal at risk of being unable to deliver Rio Grande waters to U.S. users. We are proposing that the canal be reconstructed in three phases. In FY 2010, the USIBWC intends to design the improvements and undertake environmental remediation measures for the canal.

Our FY 2010 Construction Account request also includes \$400,000 to conclude the Colorado River Boundary and Capacity Preservation Program, a project undertaken to restore the flow capacity of the Colorado River channel at Morelos Dam by reducing sedimentation and vegetation that had obstructed flows at the dam and hindered its ability to divert and/or pass high flows downstream. The FY 2010 request will be used to reestablish approximately 43 acres of riparian habitat to mitigate for the environmental impacts of sediment removal.

Funds in the amount of \$4.4 million are requested for facilities renovation and the heavy equipment replacement program. Originally funded in FY 1992, under this multi-year program the USIBWC is in the process of renovating and modernizing USIBWC facilities along the U.S.-Mexico border region to current industry standards. These facilities, most of which were constructed between 1930 and 1950, require major rehabilitation to meet the standards established by the Occupational Safety and Hazards Act, the Americans with Disabilities Act and current environmental laws. If not corrected, the deterioration of facilities will accelerate and the possibility of major accidents, employee injuries, and

property damage will increase. The USIBWC also began a multi-year program in FY 2001 to replace deteriorated and obsolete heavy construction equipment, which is essential for daily operations such as levee maintenance, floodway mowing, erosion control, arroyo clearing, roadway maintenance, riprap replacement, sludge and silt removal. Due to the age of much of the equipment, some of which is between 20 to 30 years old, the USIBWC is incurring excessive maintenance costs to keep the equipment operational and is finding it more difficult to locate replacement parts.

We are also requesting \$2.3 million to continue a multi-year project to improve security at our facilities in a post September 11th world. This will allow the USIBWC to implement defensive measures to address security and vulnerability risks at critical transboundary infrastructure, such as Amistad and Falcon Dams, field offices, and headquarters facilities.

The USIBWC welcomes your support as we implement these important projects as part of our mission to address boundary and water issues along the U.S.-Mexico border. Madame Chairwoman, thank you for the opportunity to testify today. I would be pleased to respond to any questions you or other members of the Subcommittee may have.

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DEPARTMENT OF THE ARMY

COMPLETE STATEMENT

OF

**Mr. Terrence C. Salt
Acting Assistant Secretary of the Army
(Civil Works)**

BEFORE

**THE SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES**

ON

**AGENCY BUDGETS AND PRIORITIES FOR
FISCAL YEAR 2010**

FOR

THE ARMY CIVIL WORKS PROGRAM

JUNE 16, 2009

Chairwoman Johnson, Representative Boozman, 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 2010.

OVERVIEW

In developing this budget, we sought to achieve four principal objectives:

- Focus construction funds on those investments that provide the best return from a national perspective in achieving economic, environmental and public safety objectives;
- Support the safe and reliable operation and maintenance of key existing water resources infrastructure;
- Improve Corps project planning and program performance; and
- Advance aquatic ecosystem restoration efforts, including restoration of Louisiana's coastal wetlands and Florida's Everglades.

The Budget provides funding for development and restoration of the Nation's water and related resources within the 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.

FY 2010 DISCRETIONARY FUNDING PROGRAM

The total discretionary funding of \$5.125 billion in the FY 2010 Budget is the highest amount ever requested by the President for the Civil Works program.

Within this total, \$1.718 billion is budgeted for projects in the Construction account. The Budget provides \$2.504 billion for activities funded in the Operation and Maintenance (O&M) account.

The FY 2010 Budget also includes \$100 million for Investigations; \$248 million for Flood Control, Mississippi River and Tributaries; \$41 million for Flood Control and Coastal Emergency; \$190 million for the Regulatory Program; \$134 million for the Formerly Utilized Sites Remedial Action Program; \$184 million for the Expenses account and \$6 million for the Office of the Assistant Secretary for Civil Works.

Enclosure 1 displays the current estimate for the distribution of FY 2010 discretionary funding among eight appropriation accounts, eight program areas plus executive direction and management, and five funding sources including the general fund of the Treasury and trust funds. Enclosure 2 is a crosscut between appropriation accounts and program areas.

The FY 2010 Budget for the Civil Works program supports high performing new studies and construction starts.

The Budget funds three new watershed studies: Green River Watershed, Kentucky; Ocmulgee River Watershed, Georgia; St. Louis Watershed, Missouri; and a study addressing Access to Water Data. The Budget also includes \$2 million for a high-priority, interagency evaluation of the Nation's vulnerability to damage from flooding, the Water Resources Priorities study, as authorized in section 2032 of the Water Resources Development Act of 2007 (WRDA 2007).

The Budget also includes funding for five construction starts, namely Napa River Salt Marsh Restoration, California; Kansas City's, Missouri and Kansas flood damage reduction project, Washington, D.C. and Vicinity flood damage reduction project; Norfolk Harbor, Craney Island, VA, and the Bridges at Deep Creek, Virginia project on the Atlantic-Intracoastal Waterway.

Restoring Louisiana Gulf Coast Wetlands

For FY 2010, the allocation for the Louisiana coastal area (LCA) has been increased by \$5 million, from \$20 million to \$25 million in the Investigations account. Over 1 million acres of Louisiana's coastal wetlands have been lost since the 1930's; another one third of a million acres could be lost over the next 50 years unless large-scale corrective actions are taken. A 10 year plan of studies, projects and science support was developed through a public involvement process, and working closely with other Federal agencies and the State of Louisiana. All construction activities under the plan will be subject to approval of feasibility level of detail documents by the Secretary of the Army. The increased funding level for FY 2010 includes \$20 million for the LCA ecosystem restoration program and reflects an accelerated schedule arising from section 7006(e)(3) of WRDA 2007. The FY 2010 amount also includes \$5 million for the science needed to support the ongoing effort to restore the complex coastal wetland and barrier island ecosystem of coastal Louisiana.

Storm Damage Reduction for the Louisiana Coast

The Investigations account includes \$3 million for completion and review of the ongoing Louisiana Coastal Protection and Restoration (LACPR) study. The final LACPR Technical Report is scheduled to be completed at the Corps District level in late FY 2009. Funding included in the FY 2010 budget will be used to refine and integrate LACPR findings and outputs regarding alternative trade-offs, and coastal landscape

contributions to risk management, with ongoing Hurricane Storm Damage Reduction projects and Coastal Protection and Restoration projects and to delineate comprehensive plans for higher levels of storm surge risk reduction

Everglades

In partnership with the South Florida Water Management District and the National Park Service, the Corps is working to restore much of the unique natural ecosystem value to the Everglades. The objective of the South Florida Ecosystem Restoration Program is to restore, protect and preserve the south Florida ecosystem, including the Everglades, while providing for other water related needs of the region. In order to move the program forward, the Budget for the Corps provides \$214 million for FY 2010, an increase of \$91 million above the amount appropriated in FY 2009. Within this amount, the Budget would initiate or advance construction of the three authorized projects in the Comprehensive Everglades Restoration Plan: Picayune Strand, Site One Impoundment, and Indian River Lagoon – South.

INLAND WATERWAYS LEGISLATION

The Budget proposes enactment of legislation to authorize a lock usage fee, which would over time replace the diesel fuel tax now paid by most commercial users of the inland and intracoastal waterways. This proposed legislation will improve the way that the Nation raises the revenue needed to cover the non-Federal share of the capital costs of inland and intracoastal waterways projects. The balance in the Inland Waterways Trust Fund (IWTF), which affects the Government's ability to finance the non-Federal portion of Federal capital investment in these waterways, has been declining since FY 2002. The legislation will raise more revenue from the users and will do so in a way that improves economic efficiency compared to the existing fuel tax, by more closely aligning the costs of those who use the Corps locks for commerce with the capital costs that the Corps incurs on their behalf. The Administration stands ready to work with the Congress and stakeholders with interest in these capital investments to help pass and implement this proposal. The amount provided in the FY 2010 Budget for construction and rehabilitation of projects on the inland waterway system, \$85 million, has been constrained to ensure that necessary funding will be available in the IWTF under current law, in the event that the proposed legislation is not in place prior to the beginning of FY 2010.

OTHER INITIATIVES

Response to Climate Change at Corps Facilities

The Corps is working, along with other Federal agencies, to address the implications of climate change, which has the potential to affect the way in which the Corps manages its projects. The FY 2010 Budget includes \$5 million in the O&M account to initiate a program to develop and begin implementing practical, nationally

consistent, and cost-effective approaches and policies to reduce potential vulnerabilities to water infrastructure resulting from climate change.

Nationwide Evaluation of Hydropower Rehabilitation

The Budget includes \$2 million in the O&M account to conduct a nationwide assessment of the Corps hydropower program. This initiative will help to develop a long-term programmatic investment strategy based on a national approach to prioritizing hydropower replacement studies and projects.

Low Commercial Use Navigation Pilot Project

The Budget emphasizes the safe and reliable operation of key infrastructure assets that are of central importance to the nation, including federally maintained channels and harbors that support high volumes of commercial commerce. From a national perspective, projects that no longer carry significant commercial traffic nor serve to meet subsistence or safety needs have a lower priority. However, many of these low commercial use projects remain important locally to the people that they serve.

The FY 2010 Budget includes a \$1.5 million pilot project in the O&M account to develop and encourage alternate non-traditional ways to fund maintenance of low commercial use harbors and waterways. The pilot project would focus on the Atlantic Coast and Chesapeake Bay in the North Atlantic and South Atlantic Divisions of the Corps. It will identify the universe of Federal harbors and inland waterway segments that support lower levels of commercial use and their respective non-Federal sponsors. The project will also formulate a range of possible long-term options for the funding and management of such facilities, evaluate the pros and cons of these options, and examine their applicability to the various types of low use navigation projects. This initiative also envisions that more regional general permits will be developed through the Corps' Regulatory Program to streamline efforts by non-federal entities to accomplish the maintenance of these channels harbors.

PLANNING IMPROVEMENTS AND PERFORMANCE-BASED BUDGETING

The Army continues working through the Chief of Engineers 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. These efforts have already begun and will ultimately improve all of our project reports.

The FY 2010 Budget continues the Civil Works program's commitment to a performance-based approach to budgeting. 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 its many competing 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 focus construction funds on those investments within the 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 FY 2010 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 FY 2010.

In FY 2010 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 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 American Recovery and Reinvestment Act provided \$4.6 billion for the Civil Works program. That amount included \$2 billion for the Construction account; \$2.075 billion for O&M account; \$375 million for Flood Control, 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. Economists estimate the Corps' Recovery Act appropriation will create or maintain approximately 57,400 direct construction industry jobs and an additional 64,000 indirect and induced jobs in firms supplying or supporting the construction and the businesses that sell goods and services to these workers and their families.

The Corps will manage and expend these funds so as to achieve the Recovery Act's stated purposes, including both commencing expenditures as quickly as possible consistent with prudent management and investing in infrastructure and ecosystem restoration that will provide long-term benefits. The Civil Works allocations also are fully consistent with the President's direction provided in the Executive Memorandum of 20 March 2009 – Ensuring Responsible Spending of Recovery Act Funds. In that Memorandum, the President directed agencies to ensure that Recovery Act funds are spent responsibly and transparently and that projects are selected on merit-based principles.

Moreover, the Civil Works allocations are consistent with additional project selection criteria provided in the Conference Committee report accompanying the Act that projects, programs or activities that are accomplished with Recovery Act dollars will be obligated and executed quickly; will result in high, immediate employment; have little

schedule risk; will be executed by contract or direct hire of temporary labor; and will complete a project phase, a project, an element, or will provide a useful service that does not require additional funding. Also as stipulated in the Recovery Act, no funds will be used for any PPA that, at the time of the obligation, has not received appropriations provided for Energy and Water Development.

The Corps selected approximately 170 activities in the Construction account, 520 in the Operation and Maintenance account, 45 in the Mississippi and Tributaries account, 70 in the Investigations account, and nine in the FUSRAP account. These activities mostly involve the funding of work under a single contract, though in some cases projects or useful increments of projects will be completed.

The wide geographic distribution of projects spreads the employment and other economic benefits across the United States. Funding also is distributed across Civil Works programs to provide the nation with project benefits related to inland and coastal navigation, the environment, flood risk management, hydropower, recreation, and more.

CONCLUSION

The Administration has made rebuilding America's infrastructure a priority. Through resources provided for the Army Civil Works program in the President's Budget for FY 2010, the Corps can help achieve this objective. We seek to apply 21st century technological advances to present day challenges, while protecting and restoring significant ecological resources.

Chairwoman Johnson, I am proud to support the FY 2010 budget for the Army Civil Works program. I look forward to working with this Subcommittee and to your support of the President's Budget proposals. Thank you.

ENCLOSURE 1
DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS – CIVIL WORKS BUDGET SUMMARY, FY 2010

<u>Requested New Appropriations by Account:</u>	<u>Amount (\$)</u>
Investigations	100,000,000
Construction	1,718,000,000 1/
Operation and Maintenance	2,504,000,000 2/
Regulatory Program	190,000,000
Mississippi River and Tributaries	248,000,000
Expenses	184,000,000
Flood Control and Coastal Emergencies	41,000,000
Formerly Utilized Sites Remedial Action Program	134,000,000
Office of the Assistant Secretary	<u>6,000,000</u>
TOTAL	5,125,000,000
<u>Sources of New Appropriations:</u>	
General Fund	(4,204,000,000)
Harbor Maintenance Trust Fund	(793,000,000)
Inland Waterways Trust Fund	(85,000,000)
Special Recreation User Fees	<u>(43,000,000)</u>
TOTAL	(5,125,000,000)
<u>Additional New Resources:</u>	
Rivers and Harbors Contributed Funds	369,000,000 3/
Coastal Wetlands Restoration Trust Fund	86,000,000 4/
<u>Permanent Appropriations</u>	<u>9,000,000</u>
TOTAL ADDITIONAL NEW RESOURCES	464,000,000
TOTAL PROGRAM FUNDING	\$5,589,000,000

1/ Includes \$85,000,000 from the Inland Waterways Trust Fund;

2/ Includes \$793,000,000 from the Harbor Maintenance Trust Fund and \$43,000,000 in Special Recreation User Fees;

3/ Cost Sharing contributions required by law for budgeted work financed 100 percent by non-Federal interest;

4/ Transferred from the Sport Fish Restoration Account of the Aquatic Resources Trust Fund for planning, protection, and restoration of coastal wetlands in the state of Louisiana;

ENCLOSURE 2
 DEPARTMENT OF THE ARMY
 CORPS OF ENGINEERS – CIVIL WORKS BUDGET, FY 2010
 CROSSCUT BETWEEN APPROPRIATION ACCOUNTS AND PROGRAM AREAS
 (\$ in Millions)

Business Line/Funding Categories	Invest.	Const.	Oper. & Maint.	MR&T	FUSRAP	FCCE	Regulatory	Expenses	ASA (CW)	TOTAL:
Flood & Coastal Storm Damage Reduction	37	919	497	174						\$1,626
Coastal Inland	1	26	0	1						\$28
Hydropower	37	893	497	173						\$1,998
Navigation	19	286	1,411	48						\$230
Coastal Inland	16	119	334							\$1,766
Environment	3	170	577							\$988
Aquatic Ecosystem Restoration	44	481	17	5						\$780
Stewardship			94	5						\$546
FUSRAP					134					\$99
Regulatory							190			\$134
Recreation										\$190
Emergency Management			267	16		41				\$283
Water Supply			14							\$55
Expenses			4					184		\$4
ASA (CW)									6	\$184
TOTAL:	100	1,718	2,504	248	134	41	190	184	6	\$5,125



U.S. House of Representatives
Committee on Transportation and Infrastructure
 Washington, DC 20515

James L. Oberstar
 Chairman

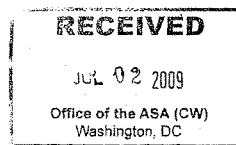
John L. Mica
 Ranking Republican Member

David Heynsfeldt, Chief of Staff
 Ward W. McCarragher, Chief Counsel

June 25, 2009

James W. Coon II, Republican Chief of Staff

Mr. Terrance Salt
 Acting Assistant Secretary of the Army (Civil Works)
 108 Army Pentagon
 Washington, DC 20310-0108



Dear Mr. Salt:

Thank you for testifying before the Subcommittee on Water Resources and Environment at the June 16th hearing on "Agency Budgets and Priorities for FY 2010." The following are a few supplemental questions for the hearing record:

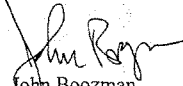
1. What was the basis for deciding which on-going projects and which new construction starts would be supported in the Administration's budget request?
2. Can you supply the Committee with a list of projects that would be terminated as a result of the Administration's budget and their associated remaining-benefit to remaining-cost ratios and their associated termination costs?
3. WRDA 2007 directed the Secretary of the Army to revise the principles and guidelines for conducting project studies known as the "Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies". Would you give us an update on how that revision is going and where you are in the process?
4. The Administration is placing a lower priority on low-use harbors and waterways and looking for non-Federal ways of paying for them. Since most traffic begins or ends on lower use waterways, are you concerned that this reduced emphasis will strangle the traffic off the mainstreams and hurt the entire water transportation system?
5. For ranking purposes, how does the Corps compare environmental projects that do not have a benefit-cost ratio with economic development projects that do have a benefit-cost ratio?

Mr. Salt
June 25, 2009
Page 2

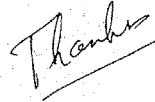
6. Considering that the Corps has not been able to complete a Chief's Report in several years, and predictions of sea level rise and more severe flood events in the future, how does the Administration justify a 40 percent cut in investigations funding?
7. Is the Corps confident enough in the predicted magnitude of sea level rise to incorporate definite values into your engineering models for coastal projects?
8. The U.S. Global Change Research Program has just released a report that concludes that due to climate change, future floods are likely to be worse in most regions of the country
 - a. Can these reported increases be calculated into predicted future flood stages?
 - b. Should we conclude from this report that flood protection projects in most regions of the country would be much less effective than currently predicted?

To ensure that your responses to these questions are included in the hearing record, I would appreciate receiving your written responses by Wednesday, July 15, 2009. Please submit the responses in electronic form by e-mail, to John Anderson, Staff Director of the Subcommittee, at John.Anderson1@mail.house.gov. Please contact the subcommittee at (202) 225-4360 with any questions. Thank you.

Sincerely,



John Boozman
Ranking Republican Member
Subcommittee on Water Resources
and Environment



**Questions for Mr. Terrence C. Salt,
Acting Assistant Secretary
Civil Works
Committee in Transportation and Infrastructure Hearing
From Congressman John Boozman
June 25, 2009**

Mr. Boozman. Q1. What was the basis for deciding which on-going projects and which new construction starts would be supported in the Administration's budget request?

Mr. Salt. The Army Corps of Engineers (Corps) reviewed all potential projects, both ongoing and new projects, to determine the priority projects for the FY 2010 Budget. Objective performance criteria were used to determine the high performing projects that were included in the President's Budget.

Performance-based construction guidelines were used as well as benefit to cost-ratio (BCR) to prioritize some projects' funding in the FY 2010 Budget. Other metrics included dam safety, risk to human safety and the potential to cost effectively restore important aquatic ecosystems.

Mr. Boozman. Q2. Can you supply the Committee with a list of projects that would be terminated as a result of the Administration's budget and their associated remaining-benefit to remaining-cost ratios and their associated termination costs?

Mr. Salt. Listed below are the projects that would incur termination costs if they were not funded in FY 2010. Also, included for each project is the remaining-benefit-to-remaining-cost ratio (RBRCR), as you requested, as well as the total benefit-to-cost ratio (BCR). The following three projects would be terminated in FY 2010:

<u>Project</u>	<u>RBRCR</u>	<u>BCR</u>	<u>Termination Costs</u>
Chicago Shoreline	3.4	1.1	\$925,000
Ozark-Jeta Taylor, Powerhouse Rehab, AR	5.4	1.8	\$20,000,000
Whitney Powerhouse Rehab, TX	1.3	0.9	\$5,500,000

Mr. Boozman. Q3. WRDA 2007 directed the Secretary of the Army to revise the principles and guidelines for conducting project studies known as the "Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies". Would you give us an update on how that revision is going and where you are in the process?

Mr. Salt. On March 10, 2008, the Honorable John Paul Woodley, Jr., the former Assistant Secretary of the Army (Civil Works) (ASA (CW)), directed the Corps to revise the 1983 P&G in two phases: first the Principles and Standards (P&S) and then the Procedures. The ASA(CW) determined that the P&S should be revised, reviewed, and

coordinated for acceptability before a significant investment is made in revising the much more extensive and detailed Procedures.

A Federal Register notice was published on May 8, 2008, inviting public comment on revising the P&G. No draft revisions were provided to the public in this effort. The effort culminated in a public hearing hosted by Mr. Woodley on June 5, 2008, to further solicit public input. About 31 sets of comments were received suggesting a wide range of revisions.

From May through September 2008, ASA(CW) facilitated discussions with the Office of Management and Budget (OMB), the Council on Environmental Quality (CEQ) and the Corps regarding the revision effort. This led to a second Federal Register notice published on September 12, 2008, that invited public comment on a proposed draft of revised Principles. As a result, 104 individuals and organizations provided over 900 comments by or shortly after the review period ending October 22, 2008.

Based on the comments, the Corps further revised the P&S and forwarded the P&S to Mr. Woodley on December 12, 2008. After review of the public comments and the requirements of Section 2031 of WRDA 2007, the ASA(CW) provided revised P&S on February 13, 2009 to the White House Council on Environmental Quality (CEQ) for Administration clearance to provide the revised P&S to the National Academy of Sciences' Water Science and Technology Board (WSTB) for independent peer review.

CEQ determined that the guidance should apply to water resources development actions throughout the Federal government as part of good governance. This was one of several significant comments provided by the public. Common guidance applied across the Federal government would avoid public confusion and ensure that all non-Federal participants get similar opportunities that reflect 21st century water resources planning paradigms.

In April 2009, CEQ convened an interagency team consisting of representatives from OMB, ASA(CW), the Environmental Protection Agency, the US Bureau of Reclamation, the Tennessee Valley Authority, the Department of the Interior, the Natural Resources Conservation Service and the US Department of Agriculture. The team is rewriting the revised P&S accordingly. This effort is ongoing.

CEQ expects to provide a revised draft P&S to the public and WTSB this fall. The WSTB review should take about a year. CEQ also intends to initiate revision of the Procedures portion of the P&G concurrent with the WSTB review. Revising the Procedures may require 1 to 2 years to complete once WSTB finishes its review.

Mr. Boozman. Q4. The Administration is placing a lower priority on low-use harbors and waterways and looking for non-Federal ways of paying for them. Since most traffic begins or ends on lower use waterways, are you concerned that this reduced emphasis will strangle the traffic off the mainstems and hurt the entire water transportation system?

Mr. Salt. The Corps prioritizes navigation projects with a focus on harbors and waterways that have high volumes of commerce. Most low use harbors operate independently of other harbors and their benefits are more local or regional. However, navigation projects with lower commercial use may contribute to the Nation in other important ways, such as by supporting commercial fishing, subsistence, or public transportation.

In some cases they can provide a vital economic engine to local economies, especially in less populated areas, or serve as a critical harbor of refuge. As of yet, there is no objective means of determining how best to weigh such needs against those of the facilities that support higher levels of commercial traffic.

Therefore, the FY 2010 Budget has included \$1.5 million for the Long Term Option Assessment for Low Use Navigation that would encourage alternate non-traditional ways to fund maintenance of low-use harbors and waterways.

Mr. Boozman. Q5. For ranking purposes, how does the Corps compare environmental projects that do not have a benefit-cost ratio with economic development projects that do have a benefit-cost ratio?

Mr. Salt. Environmental projects without a BCR are evaluated within their own business line and then compared across business lines to assure that the highest performing projects in each category are selected. The Corps is focused on improving our basic metrics, and maintaining the ultimate objective of multi-factor prioritization and the impact it has on measuring progress toward the Corps' objectives in its core mission areas.

Mr. Boozman. Q6. Considering that the Corps has not been able to complete a Chiefs Report in several years, and predictions of sea level rise and more severe flood events in the future, how does the Administration justify a 40 percent cut in investigations funding?

Mr. Salt. The FY 2010 Budget provided a ten percent increase above the FY 2009 President's Budget for the Investigations account. The President's Budget requests funding for fewer studies than has typically been appropriated by Congress because our Budget selects studies and Preconstruction Engineering and Design (PED) efforts based on the likelihood that the study will result in a high-performing project. Consideration is provided for the expected relative performance of the project as well as the likelihood that the study or PED would result in a project with a willing cost sharing sponsor.

With respect to climate change, we have proposed initiation of a study called "Response to Climate Change at Corps Projects" in the Operations & Maintenance account budget. Climate change has the potential to affect many Corps projects. The objective of this effort is to partner with other Federal science and water management agencies and other stakeholders, to develop practical, nationally consistent, and cost-effective approaches

and policies to reduce potential vulnerabilities to the Nation's water infrastructure resulting from climate change and variability.

The operations and water management control activities associated with the existing Corps water projects provides the largest challenge given future climate change and variability. In order to ensure continued effective and efficient water operations in both the short and longer term, nationally consistent, but regionally tailored water management adaptation strategies and policies are needed.

Such policies must balance project operations and water allocations, within authorized project purposes, with changing water needs and climate driven changes to operating parameters, working in close coordination with a wide variety of intergovernmental stakeholders and partners. This effort will provide planning and engineering guidance to ensure infrastructure is designed to be sustainable and robust to a range of potential changes.

Mr. Boozman. Q7. Is the Corps confident enough in the predicted magnitude of sea level rise to incorporate definite values into your engineering models for coastal projects?

Mr. Salt. No. The Corps will soon release an Engineer Circular on "Incorporating Sea Level Change Considerations in Civil Works Programs." The circular provides guidance on how to incorporate the physical effects of projected future sea-level change in managing, planning, engineering, designing, constructing, operating, and maintaining Corps projects and systems of projects. The Corps guidance accounts for the scientific uncertainty through a multi-scenario approach, rather than incorporating a single definite value.

The approach recommends implementing flexible planning and engineering adaptations that can account for a range of possible changes.

Mr. Boozman. Q8. The U.S. Global Change Research Program has just released a report that concludes that due to climate change, future floods are likely to be worse in most regions of the country.

Q8a. Can these reported increases be calculated into predicted future flood stages?

Mr. Salt. No, there is too much uncertainty in the projections of future climate to include in calculations of predicted future flood stages. However, we are evaluating the use of climate model projections to assess potential changes in flood risk for plausible future climate scenarios.

Mr. Boozman. Q8b. Should we conclude from this report that flood protection projects in most regions of the country would be much less effective than currently predicted?

Mr. Salt. No, but we can conclude that there is greater uncertainty than previously acknowledged in the flood frequency estimates that are used for engineering design and

for flood insurance. Flood risk management should develop strategies that recognize this uncertainty and evaluate the robustness of existing flood protection projects to plausible future climate scenarios.

The Corps, FEMA and other responsible agencies should continue their current efforts to place a strong emphasis on flood risk communication to ensure the public is fully aware of the residual risks associated with flood water management infrastructure. Likewise, the Corps should continue ongoing collaborations with other Federal, State and local agencies to support state and local efforts to employ risk-informed flood plain management practices.

**QUESTIONS FOR THE RECORD
SUBMITTED TO MR. TERRANCE C. SALT,
ACTING ASSISTANT SECRETARY OF THE ARMY (CW)
FOR THE
SUBCOMMITTEE ON WATER RESOURCES AND
ENVIRONMENT
HEARING ON "AGENCY BUDGETS AND PRIORITIES FOR FY
2010"
JUNE 16, 2009**

Chairwoman Johnson: (1) Please provide the Subcommittee with the exact criteria used by the Corps to identify projects in the budget that met the Corps' description as "the best return from a national perspective in achieving economic, environmental and public safety objectives"?

Mr. Salt: The budgetary criteria was 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 a Benefit-to-Cost Ratio test, the potential to contribute to human safety, 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.

The construction program budget focuses resources on high-return investments for ongoing work in the three main mission areas of the Corps: commercial navigation; flood and storm damage reduction; and aquatic ecosystem restoration. The Budget also gives priority for funding to dam safety work, projects that reduce significant risks to human safety, and projects that will complete construction during 2010.

Studies and Preconstruction Engineering and Design (PED) efforts are focused on the likelihood that they will result in high-performing projects.

In aquatic ecosystem restoration PEDs, the same criteria are used as for construction projects in that those activities with the highest return per dollar invested are selected for the budget.

In the operation and maintenance program, the FY 2011 Budget focuses resources on furthering the operational reliability, safety, and availability of existing key Corps infrastructure.

Chairwoman Johnson: Please provide the Subcommittee with a detailed account of how these criteria were used to evaluate individual projects.

Mr. Salt: The process is conducted using the metrics as stated above and uses the most recent and accurate data available from the Corps for all accounts.

Chairwoman Johnson: (2) Please provide the Subcommittee with the specific criteria utilized by the Corps of Engineers to determine the five "new starts" that appear in the President's FY 2010 budget request?

Mr. Salt: The five new starts in FY 2010 ranked the highest when compared to the universe of potential new starts based on the criteria stated above.

Chairwoman Johnson: Did the Corps evaluate all of the project authorities contained in the Water Resources Development Act, and did these 5 projects rise to the top of your list?

Mr. Salt: Yes.

Chairwoman Johnson: Please provide an evaluation of the remainder of projects authorized in the Water Resources Development Act of 2007, using the same criteria.

Mr. Salt: The basic criteria for consideration for new start funding in the budget is that the project has received a favorable review on construction of the project; that preconstruction engineering and design is fully funded in the year preceding the budget year; that the project cooperation agreement is on schedule to be executed with the local sponsor and the project is in compliance with all applicable environmental statutes appropriate to the stage of implementation and no known or reasonably anticipated conditions

or unresolved issues exist with might prevent either the award of the first significant construction contract by the end of the Budget Year. The list is attached.



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Chairwoman Johnson: (3) Last Congress, your predecessor testified before the Committee's hearing on climate change and suggested that the Corps was undertaking "risk-based planning" to consider uncertainties, such as the effects of climate change, on Corps projects.

How is the President's FY 2010 request for the "response to climate change at Corps facilities" similar to or different from what was described to the Committee last Congress?

Mr. Salt: "Risk-based planning" is a framework that incorporates uncertainty of key parameters and functions into project formulation, benefits, and performance analyses. Future climate change and variability is one uncertainty that must be considered and may be significant for some projects.

The FY 2010 "Response to Climate Change at Corps Projects" provides resources to evaluate the potential impact of climate change on Corps projects and systems to determine their potential vulnerability. The effort will provide guidance on how climate change can be explicitly considered in project planning. The effort will also provide resources to evaluate the current Corps portfolio of constructed and natural projects to determine their potential vulnerability to climatic changes. The results of vulnerability analysis or "stress tests" can be used to prioritize investments in adaptation measures to make the existing portfolio of Corps projects and systems more robust to future changes.

In summary, "risk-based planning" is a frame work that can be used to make decisions in the face of uncertainty, while the FY 2010 "Response to Climate Change at Corps Projects" provides information to better evaluate the impacts of climate change uncertainty on both future projects and the existing portfolio of Corps projects.

Chairwoman Johnson: Please describe, in more detail, the practical, consistent, and cost-effective approaches and policies that you will consider?

Mr. Salt: The Corps plans to follow practical, consistent, and cost-effective approaches for evaluating the potential impacts of climate change and developing adaptation strategies. The Corps is working closely with science agencies to leverage existing science, rather than reproducing research. The Corps is also working with other Federal agencies to ensure water management agencies follow consistent approaches and policies with regard to climate change.

Chairwoman Johnson: (4) The President's budget request has included \$10 million for the National Levee Inventory.

Please provide information on the status of the inventory with respect to Corps-owned or constructed levees and other Federal levees.

Mr. Salt: To date (June 16, 2009), more than 9,800 miles of levees within the USACE program (i.e. levees USACE inspects) has been inventoried.

By the end of calendar year 2009, an additional 4200 miles of USACE program levees will be inventoried.

This will complete the inventory of USACE operated and USACE constructed levees. This information has been uploaded to the National Levee Database. Starting in fiscal year 2010, USACE will begin to inventory other federal agency levees, such those constructed by the Bureau of Reclamation and the Natural Resources Conservation Service.

Chairwoman Johnson: After completion of the Federal levee inventory, does the Corps expect to inventory state and local levee structures?

Mr. Salt: Yes. Title IX in WRDA 2007, the National Levee Safety Act, provided USACE the authority to collect available information from state and local governments on levees outside of the USACE program.

Starting in FY 2010, USACE will initiate the first step, which is a data call to all the states, to begin collecting this information. As levees are identified, the information will be uploaded to the National Levee Database.


At this time, the total number of miles of levees across the nation is still unknown.

Chairman Oberstar: (1) During the formulation of the American Recovery and Reinvestment Act, several members of this Committee expressed concern about the absence of any hurricane and storm damage reduction projects in the final list of projects that were to receive Recovery Act funding, despite the fact that many of these projects met the statutory requirements of the Recovery Act, and were "ready-to-go" for construction.

Similarly, concern was expressed about the apparent lack of hurricane and storm damage reduction projects in the proposed budget request for fiscal year 2010.

Please provide the Committee with a list of all authorized hurricane and storm damage reduction projects, the status of each of these projects, the benefit-to-cost ratio for each of these projects, and how each of these projects fared in the Administration's FY 2010 "performance measure to establish priorities among projects"?

Mr. Salt: The list is attached. Yes, all the projects were reviewed, in the formulation of the FY 2010 budget.


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EVALUATION OF PROJECTS AUTHORIZED IN WRDA 2007

HR 1495 WRDA 2007

TITLE_1	BL	Water Resources Projects	State	BCR @ 7%	DATE of Chiefs Rept (month/year)
1001(1)	NAV	Haines Harbor, AK	AK	1.010	Dec-04
1001(2)	NAV	Port Lions, AK	AK	1.240	Jun-06
1001(3)	ENR	Santa Cruz River, Paseo de Las Iglesias, AZ	AZ	NA	Mar-06
1001(4)	ENR	Tanque Verde Creek, Pima County, AZ	AZ	NA	Jul-03
1001(5)	ENR	Rio Salado Oeste, AZ	AZ	NA	Dec-06
1001(6)	ENR	Salt River (Va Shiyay Akimel), Maricopa County, AZ	AZ	NA	Jan-05
1001(7)	FDR	May Branch, Fort Smith, AR	AR	0.80	Dec-07
1001(8)	ENR	Hamilton City, CA	CA	1.8	Dec-04
1001(9)	FDR	Imperial Beach, CA (Initial const)	CA	1.42	Dec-03
1001(10)	FDR	Imperial Beach, CA (Periodic nourish)	CA	1.9	Dec-04
1001(11)	ENR	Matilija Dam, Ventura County, CA	CA	NA	Jul-05
1001(12)	ENR	Middle Creek, Lake County, CA	CA	NA	Nov-04
1001(13)	ENR	Napa River Salt Marsh Restoration, CA	CA	NA	Dec-04
1001(14)	ENR	Denver County Reach, South Platte River, Denver, CO	CO	NA	Jun-05
1001(14) a	ENR	Indian River Lagoon, South Florida	FL	NA	Aug-04
1001(15)	ENR	Picayune Strand Restoration, Collier County, FL	FL	NA	Sep-05
1001(16)	ENR	Site 1 Impoundment, FL	FL	NA	Dec-06
1001(17)(A)	NAV	Miami Harbor, Miami-Dade County, FL	FL	1.4	Apr-05
1001(18)	ENR	East St. Louis and Vicinity, IL	IL	NA	Dec-04
1001(19)	ENR	Peoria Riverfront Development, IL	IL	NA	Jul-03
1001(20)	FDR	Wood River Levee System Reconstruction, Madison County, IL	IL	2.57	Jul-06
1001(21)	FDR	Des Moines and Raccoon Rivers, Des Moines, IA	IA	2.20	Mar-06
1001(22)	FDR	Licking River Basin, Cynthiana, KY	KY	2.20	Oct-06
1001(23)	NAV	Bayou Sorrel Lock, LA	LA	19.200	Jan-05
1001(24)	FDR	Morganza to the Gulf of Mexico, LA	LA	1.80	Aug 02 (supp - Jul 03)
1001(25)	NAV	Port of Iberia, LA	LA	2.040	Dec-06
1001(26)	ENR	Smith Island, Somerset County, MD	MD	NA	Oct-01
1001(27)	FDR	Roseau River, Roseau, MN	MN	2.20	Dec-06
1001(28)	FDR	Argentine, East Bottoms, Fairfax-Jersey Creek and North Kansas Levees Units, Missouri River and Tributaries at Kansas Cities, MO/KS	MO	6.4	Oct-07

HR 1495 WRDA 2007

<u>TITLE.1</u>	<u>BL</u>	<u>Water Resources Projects</u>	<u>State</u>	<u>BCR @ 7%</u>	<u>DATE of Chiefs Rept</u> (month/year)
1001(29)	FDR	Swope Park Industrial Area, Blue River, Kansas City, MO	MO	1.30	Oct-04
1001(30)	FDR	Great Egg Harbor Inlet to Townsends Inlet, NJ (Initial const)	NJ	1.60	Oct-06
1001(30)	FDR	Great Egg Harbor Inlet to Townsends Inlet, NJ (Periodic nourish)		1.60	
1001(31)	ENR	Hudson Raritan Estuary, Liberty State Park, NJ	NY	NA	Oct-06
1001(32)	FDR	Manasquan Inlet to Barnegat Inlet, NJ (Initial const)	NJ	1.80	Aug-06
1001(32)	FDR	Manasquan Inlet to Barnegat Inlet, NJ (Periodic Nourish)		1.80	Dec-03
1001(33)	FDR	Raritan Bay and Sandy Hook Bay, Union Beach, NJ (Initial const)	NY	1.40	Dec-03
1001(33)	FDR	Raritan Bay and Sandy Hook Bay, Union Beach, NJ (Periodic nourish)	NY	1.40	Jan-06
1001(34)	FDR	South River, Raritan River Basin, NJ	NJ	1.90	Jan-06
1001(35)	FDR	Southwest Valley, Bernalillo County, NM	NM	2.3	Jul-03
1001(36)	FDR	Montauk Point, NY	NY	1.90	May-04
1001(37)	ENR	Hocking River, Monday Creek Sub-basin, OH	OH	NA	Mar-06
1001(38)	FDR	Town of Bloomsburg, Columbia County, PA	PA	1.10	Aug-06
1001(39)	FDR	Pawley's Island, SC (Initial const)	SC	2.20	Jan-06
1001(39)	FDR	Pawley's Island, SC (Periodic nourish)	SC	2.20	Dec-06
1001(40)	NAV	Corpus Christi Ship Channel, Corpus Christi, TX	TX	1.97	Dec-06
1001(41)	NAV	GIWW, Matagorda Bay Re-route, TX	TX	1.21	Jun-03
1001(42)	NAV	GIWW, High Island to Brazos River, TX	TX	1.90	Dec-02
1001(43)	FDR	Lower Colorado River Basin Phase I, TX	TX	N/A	Apr-04
1001(44)	NAV	AIVWW Bridge Replacement, Deep Creek, Chesapeake, VA	VA	2.40	Dec-06
1001(45)	NAV	Craney Island Eastward Expansion, Norfolk Harbor and Channels, VA	VA	3.600	Mar-03
1001(46)	FDR	Centralia, Chehalis River, Lewis Cty, WA	WA	1.30	Oct-06
					Sep-04

AUTHORIZED HURRICANE AND STORM DAMAGE REDUCTION PROJECTS			BCR AT 7% RATE	State	Project	REMARKS
ALASKA COASTAL EROSION, AK	AK		N/A			ACTIVE Supplemental Approp Funded Construction. Ability to Pay determination/New PPA required for additional construction. 100% Structural
ALASKA STORM DAMAGE REDUCTION (117), AK	AK		N/A			ACTIVE New Start Budget Request Complete plans, designs, and specifications in preparation for construction. Initiate construction of temporary protection structures in Shaktoolik. 100% Structural
IMPERIAL BEACH, SILVER STRAND SHORELINE, CA	CA		1.50			ACTIVE Funds from 08 being used to continue plans & specs
SURFSIDE - SUNSET - NEWPORT BEACH, CA	CA		7.00			ACTIVE Project extends along Orange County coast, 17 miles, from San Gabriel River Mouth downcoast to Newport Bay Harbor entrance. Comp 11 stages of construction, include groins & beachfill. Periodic beach nourishment
DELAWARE COAST, CAPE HENLOPEN TO FENWICK ISLAND, DE	DE		2.00			ACTIVE Initial construction was completed in 2005. Capability is to complete 2nd renourishment cycle
DELAWARE COAST, REHOBOTH BEACH TO DEWEY BEACH, DE	DE		1.80			ACTIVE Initial construction was completed in 2005. Capability is to complete 2nd renourishment cycle
DELAWARE COAST, BETHANY BEACH TO SOUTH BETHANY BEACH	DE		1.60			ACTIVE Initial construction was completed in 2008. Funds for ongoing project monitoring with a capability for 2nd renourishment cycle
DELAWARE BAY COASTLINE, BROADKILL BEACH, DE & NJ	DE & NJ		1.40			ACTIVE Initial construction is awaiting adequate funding stream to process PPA for approval and execution. Capability is to complete initial construction. Last appropriation was FY08
DADE COUNTY, FL	FL		5.40			ACTIVE Funded for preparation of plans and specifications for renourishment of Bal Harbor section. DPR under review.
DUVAL COUNTY, FL	FL		3.00			ACTIVE Funds would be used to initiate and complete the next renourishment cycle
EGMONT KEY SHORELINE, FL	FL		0.66			ACTIVE Funds for completing P&S and initiating construction on Federal lands.
FORT PIERCE BEACH, FL	FL		1.55			ACTIVE Capability would allow preparation of plans and specifications for the next renourishment
MANATEE COUNTY, FL	FL		13.10			ACTIVE District support for local GRR preparation.
MARTIN COUNTY, FL	FL		4.00			ACTIVE Funds are to be used to continue periodic nourishment activities for the shore protection project at Martin County.
PINELLAS COUNTY, FL	FL		5.24			ACTIVE Perform next renourishment contract for Long Key/Treasure Island.
SARASOTA COUNTY, FL	FL		1.56			ACTIVE Continue borrow area investigations and plans and specifications preparation
WALTON COUNTY, FL	FL		1.50			ACTIVE Complete PED
CHICAGO SHORELINE, IL	IL		1.60			ACTIVE The non-Federal sponsors need to provide anywhere from \$6 million to \$10 million to fully fund the Montrose to Irving segment in 2010, which is the final Federal segment of the project. There are four non-Federal segments remaining to be completed, including Promontory Point.
INDIANA SHORELINE EROSION, IN	IN		3.20			ACTIVE Non-structural Receiving fed funds Protection of National Park Service lands by sand by-pass system to utilize sand build-ups east of the Michigan City Harbor structures for beach nourishment in Mt Baldy area.
LAROSE TO GOLDEN MEADOW, LA (HURRICANE PROTECTION)	LA		10.12			ACTIVE I-wall is currently below design elevation. The wall needs to be replaced in order to provide the original project design protection
BRUNSWICK COUNTY BEACHES, NC	NC		3.40			ACTIVE \$1.1M for reevaluation of the authorized plan that recommended improvements consisting of artificial dune and beach fill, stabilized by periodic nourishment at Caswell Beach, Oak Island, and Holden Beach. \$3.0M for renourishment at the Town of Ocean Isle Beach, NC.
CAROLINA BEACH AND VICINITY, NC	NC		3.50			ACTIVE Funds used for final renourishment cycle.
DARE COUNTY BEACHES, NC	NC		2.50			ACTIVE Funds used to coordination of completed LRR, PCA and update of PMP and prepare P&S to initial construction.
WEST ONSLOW BEACH AND NEW RIVER INLET, NC	NC		3.70			ACTIVE Continue P&S for Initial Construction
WRIGHTSVILLE BEACH, NC	NC		2.50			ACTIVE Initiate and complete FY2010 nourishment cycle
BARNEGAT INLET TO LITTLE EGG HARBOR INLET, NJ	NJ		1.80			ACTIVE Continue initial construction in Long Beach Two and Beach Haven.
BRIGHTON INLET TO GREAT EGG INLET (ABSICON ISLAND), NJ	NJ		2.00			ACTIVE Funds (\$6M) would be used to initiate initial construction for the Atlantic City Bulkhead. Remaining capability is to complete 2nd renourishment cycle.
BRIGHTON INLET TO GREAT EGG INLET, BRIGANTINE ISLAND, NJ	NJ		1.20			ACTIVE Initial construction was completed in 2006. Funds provide for ongoing project monitoring
DELAWARE BAY COASTLINE, DE & NJ - OAKWOOD BEACH, NJ	NJ		1.90			ACTIVE Project awaits initial construction funds to develop PPA and initiate initial construction

AUTHORIZED HURRICANE AND STORM DAMAGE REDUCTION PROJECTS

Project	State	BCR AT 7% RATE	REMARKS
GREAT EGG HARBOR INLET AND PECK BEACH, NJ	NJ	5.10	ACTIVE Initial construction was completed in 1983. The 5th renourishment cycle was awarded in Sep 09 and is expected to be completed in Mar 10. Capability is to complete the 5th renourishment cycle.
GREAT EGG HARBOR INLET TO TOWNSEND INLET, NJ	NJ	1.60	ACTIVE Project was authorized in WRDA 07. Funds would enable coordination of PPA initial construction.
MANASQUAN INLET TO BARNEGAT INLET, NJ	NJ	1.80	ACTIVE Project was authorized in WRDA 07. Capability is to complete an LRR and develop PPA.
RARITAN BAY AND SANDY HOOK BAY (PORT MONMOUTH), NJ	NJ	1.10	ACTIVE Initial Construction Complete. FY10 funds will be earned over till adequate funds become available for execution of a PPA and initiate and complete a fully funded construction contract.
RARITAN BAY AND SANDY HOOK BAY, NJ	NJ	3.10	ACTIVE Initial Construction Complete. FY 2010 funds will be used to complete the plans and specifications and execute a Project Partnership Agreement (PPA) with the non-federal sponsor.
SANDY HOOK TO BARNEGAT INLET, NJ	NJ	1.50	ACTIVE Initial Construction Complete. Renourishment of Long Branch and Monmouth Beach.
TOWSENDS INLET TO CAPE MAY INLET, NJ	NJ	1.80	ACTIVE Initial construction of Avalon & Stone Harbor Beachfills was completed in 2003. Avalon Seawall was completed in 2007 and the Angleswall is scheduled to be completed in 2009. The only remaining initial construction component is the Stone Harbor environmental restoration. Last appropriation was in FY09. Capability is to complete 2nd renourishment cycle and Stone Harbor environmental restoration.
ATLANTIC COAST OF NYC, ROCKAWAY INLET TO NORTON POINT, NY	NY	3.20	ACTIVE Complete initial construction of 7-ignons and beachfill in the Sea Gate reach of overall Coney Island project.
BDOB ORCHARD BEACH, BRONX NY	NY	5.30	ACTIVE FY10 and carryover funds will be used to complete initial beachfill construction.
EAST ROCKAWAY INLET TO ROCKAWAY INLET AND JAMAICA BAY, NY	NY	1.40	ACTIVE Initial Construction Complete. FY10 funds will be used to continue Reformulation effort.
FIRE ISLAND INLET TO MONTAUK POINT, NY	NY	1.30	ACTIVE Initial Construction Complete. FY10 funds will be used to Continue coastal and biological monitoring of Westhampton and West of Shinnecock projects. Capability would allow continuing Reformulation effort and first renourishment.
LONG BEACH ISLAND, NY	NY	2.70	ACTIVE Initial Construction Complete. Upon concurrence from the sponsor, FY10 funds will be used to complete the LRR effort, and upon approval, initiate plans & specs for the first renourishment.
MYRTLE BEACH, SC	SC	1.55	ACTIVE Reformulating project, begin GRR with economic, environmental, and geotechnical data gathering.
PAWLEYS ISLAND, SC	SC	1.67	ACTIVE Capability would fund renourishment cycle.
SANDBRIDGE BEACH, VA	VA	1.80	ACTIVE Produce plans, specifications and cost estimates for second periodic nourishment.
VIRGINIA BEACH, VA (HURRICANE PROTECTION)	VA	1.20	ACTIVE First renourishment cycle is scheduled to maintain the project level of protection.
SHOALWATER BAY, WA	WA	N/A	ACTIVE Initiate and complete construction of the project.