

DEPARTMENT OF THE ARMY CORPS OF ENGINEERS

COMPLETE STATEMENT

OF

**LIEUTENANT GENERAL ROBERT B. FLOWERS
CHIEF OF ENGINEERS
U. S. ARMY CORPS OF ENGINEERS**

BEFORE

**THE SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE**

ON

**THE ROLE OF THE U.S. ARMY CORPS OF ENGINEERS IN MEETING
THE NATION'S WATER RESOURCES NEEDS**

FISCAL YEAR 2004

MARCH 31, 2004

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MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I am honored to be testifying before the subcommittee today, along with the Assistant Secretary of the Army (Civil Works), the Honorable John Paul Woodley, Jr., on the role of the U.S. Army Corps of Engineers in meeting the nation's water resources needs.

INTRODUCTION

The Army Corps of Engineers is prepared for the challenge of public service. Since 1775 the Army Corps of Engineers has honorably served the Army and the Nation. During the 20th Century the Army Corps of Engineers experienced both resounding success and dramatic controversy. Today in the 21st Century we are responding to the scrutiny of the public we serve. I welcome this challenge.

The Army Corps of Engineers traces its origins to the construction of fortifications at Bunker Hill in 1775. For 229 years, the Corps has responded to the needs of the Army and the Nation.

The mission of the Corps has evolved from that of "builder" to the roles of "Developer/Manager" and "Protector" of water resources.

What began as a military engineering mission for nation building in the 18th century expanded into a major peacetime mission in the 19th Century. The Corps helped a young nation map the frontier and expand westward by surveying roads and canals. The Corps promoted economic development through a vast water

resources infrastructure, contributed to development of the first national parks, tied an inland navigation system together to move commerce across states and opened ports and harbors critical for national defense and international trade. In the 20th century Congress provided the Corps with additional water resources development and management authorities including flood control, hydropower, water supply, and recreation. More recently, Congress expanded Corps authorities to storm damage reduction, response to natural disasters and aquatic ecosystem restoration. Our Civil Works program has changed along with society's changing needs, values, and priorities for good water management. For example, the Water Resources Development Act of 1986 emphasized the national expectation that project partners be more involved in the formulation and financing of solutions to water resources problems. Nearly everyone believed that we could develop better projects more efficiently and effectively by recognizing that projects must meet national needs and work viably at the local level. The history of the last 15 years of the 20th Century demonstrates that we responded to this direction and the Nation's needs.

Today, Mr. Chairman, under your oversight, the Corps is involved in the development, management, and protection of water and related land resources through its commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration projects. The Civil Works program not only provides stewardship of water resources under our jurisdiction and implements important regulatory authorities, but also is authorized to provide emergency services in response to natural disasters. It is my job, in concert with the Assistant Secretary of the Army (Civil Works), to provide advice to the Executive Branch and Congress on these matters. As we move forward in the Twenty-first Century I believe that the greatest water challenge facing our nation is managing our water resources in a fully integrated manner to sustain both our environment and our economy. I'm proud to report that the Corps is prepared and ready for this role.

Integrating the management our water resources poses some basic questions about how the Nation will use and protect water in the future, some of which may have implications for future Corps activities. For instance, to what extent will water be a mode of transportation? To what extent will it be open for recreation? Our future depends on the direction and focus of our priorities. This direction will also profoundly affect the way we do business in the Corps. Together we need to craft the 21st Century Corps of Engineers, an organization based on contemporary values and future needs. The needs that the Corps addresses -- water resources and support to the war fighter -- are as critical today as at any moment in history.

Last year, I had the pleasure of testifying for the House Water Resources and Environment Subcommittee with Mayor Bob Young of Augusta, who was testifying as Co-Chairman of the Urban Council. In speaking of the Nation's water challenges, Mayor Young said, "there is lack of recognition of the

seriousness of the water supply problem; and, there is a lack of effective planning to use current water resources more efficiently and effectively. The federal government can play a lead role in the form of technical assistance to achieve the needed level of planning so that American cities and states, neighboring watersheds, and the network of rivers can be made to meet our economic and cultural needs.”

The Corps water resources planning capability is evolving to the new challenges of integrated water management. I am committed to preserving and improving the reliability of our planning and my reports to you. We are proud of our disciplined water resources planning and the professionals who face the daunting challenges of solving real problems, balancing competing interests and forging consensus around solutions within the framework of current law and policy. They serve the public well and very often in the midst of controversy and intense scrutiny. Their difficulties make the discipline of the process of paramount importance. Today, we continue to apply the Principles and Guidelines (P&G) for Water and Related Land Resources. The P&G require a clear statement of and make possible a lucid and logical understanding of the trade-offs among alternative uses of water. The P&G accommodate formulation of projects to meet multiple objectives such as ecosystem restoration and traditional flood damage reduction and navigation. This framework has empowered the formulation of projects as diverse as the Comprehensive Everglades Restoration Plan as well as improvement to the Ports of New York and New Jersey. As we face the new challenges of integrated water management, the trade-offs will become even more complex. We must continue to strive for openness and inclusion within the P&G framework to achieve common understanding of the benefits and costs associated with alternative allocations of our Nation’s water resources and foster better decisions among these allocations.

Transforming the Corps

I’d like to talk about what I’m doing to transform the Corps into the 21st Century. There are three particular areas that I would like to discuss - reducing the backlog of projects, improving our internal processes and working toward watershed approaches.

Backlog

Frankly, we have too many projects on the books, and some do not address solutions in a contemporary way. The backlog has been the center of discussions at previous hearings of this Committee.

At the end of FY05, completing the construction projects funded in the FY ‘05 Construction account is estimated to cost approximately \$11 billion in non-

inflated dollars. The estimated backlog represents a decrease from last year. The decrease partly reflects a decision to display the backlog in FY05 dollars rather than applying projected inflation to the completion costs. The decrease is also the result of project completions and is based on the decision to not budget for periodic renourishment of shore protection projects.

I also want to address the question of project deauthorization. For some authorized projects, considerable time may elapse after authorization without appropriation of construction funds. Over this time we may see scientific progress that could better address a problem and public policy may shift. We have many inactive projects that technically remain on our books whose designs won't solve the original problems or for which there is no longer support.

There also are projects that would solve certain problems but are unpopular for any number of reasons. Most were authorized years ago but haven't been built. These projects show up on the hit lists of some of our most vocal critics. Sometimes the critics are right. In many cases, I believe that it would be helpful for a principals group of all interested Federal agencies, and in some cases for the Congress, to take a fresh look at these projects.

Internal process

We have been working very hard internally to transform. We are making our processes more open and collaborative. We are working to revitalize our planning capabilities and to become more efficient.

We are becoming a team of teams within the organization, focusing on eight regional business centers, which will move efficiently and deliver service to the public and the armed forces.

We've taken other major steps:

- We have established the USACE Environmental Operating Principles as a clear commitment to accomplishing our work in environmentally sustainable ways and with the express purpose of instilling these principles as individual values in all members of the Corps team.
- As I indicated earlier and critically important in giving life to the Operating Principles, we have issued guidance supplementing application of the P&G that emphasizes the formulation of environmental and economic projects.
- We are continuing a rigorous training curriculum to improve our planning capability. This will ensure that the best science is applied in project development and that our planners integrate economics and ecology in developing Corps projects.

- We must ensure that our planning methods are founded on the best science to support recommendations for water resources projects. We are undertaking needed investments in improving economic models, methods, and tools for all our planning activities but in particular for navigation evaluations. We will update and improve specific models and address issues raised by the Corps and others.
- We have redoubled our efforts to engage federal, state, and local agencies, stakeholders and the public in meaningful dialogue. We have brought the major resource agencies to the table to assist in decision-making.
- We have allocated additional resources to strengthen our internal review capability. With restructuring under USACE 2012, we have just created an Office of Water Project Review in Headquarters effectively doubling the size of our policy compliance review staff. The goal is to have our economists, plan formulation specialists, and environmental reviewers focus on early involvement in study development to assure compliance with established policy as projects are being developed. Additionally, this new office is overseeing administration of external independent review on controversial and complex projects through contracts with outside experts.
- We have established 5 national planning centers of expertise that will be staffed with some of our best engineers, scientists and economists --- a step that is essential for successfully addressing the issues that increasingly arise in planning a water resources project, especially those that are costly, complex, or controversial, or which otherwise require very specialized planning work. Our five national planning centers are designated to lead each of the following areas of expertise (1) inland navigation systems analysis, (2) coastal and deep draft navigation, (3) flood and storm damage reduction, (4) ecosystem restoration and (5) integrated water resources management.
- I have also revitalized the Environmental Advisory Board, a board of independent, external environmental advisers that will help us evaluate our process. They have advised us on our Upper Miss River Navigation study and will also be looking at peer review, cost sharing, breadth of authority and reviewing our work in the Everglades in the upcoming sessions.

We're committed to open and transparent modernization of the Civil Works Program for the 21st Century. To this end, we're committed to continuing the dialogue. Additionally, I have issued communication principles to ensure open, effective, and timely two-way communication with the entire community of water

resources interests. We know well that we must continue to listen and communicate effectively in order to remain relevant.

Watershed Approach

In many instances, we have reaped immense benefits from collaboration and partnership within the Federal government and within our local project sponsors. These partnerships will serve us well as we move toward a watershed approach. Here are a few things I've done:

On March 22, 2004, a new Civil Works Strategic Plan was provided to the committees and subcommittees of Congress responsible for water development authorizations and appropriations, including this subcommittee and committee. The plan emphasizes the sustainable development, management and protection of our Nation's water and related land resources. I believe that we need to do this through a holistic watershed approach. We have already established watershed principles and published watershed guidance for our field offices.

Some recent watershed management efforts, such as the Comprehensive Everglades Restoration Plan, already promote active participation of all interested parties in planning and decision-making. A similar effort is Louisiana Coastal Area ecosystem restoration project where a Regional Working Group has been formed to exchange ideas. Quite frankly though, we need to do more and we need the Congress's help if we are truly to take a watershed approach on more of our projects.

Right now, existing laws and policies drive us to single focus, geographically limited projects. The current approach narrows our ability to look comprehensively and sets up intra-basin disputes. It also leads to projects that solve one problem but may inadvertently create others. Frequently we are choosing the economic solution over the environmental when we can actually have both. I believe the future is to look at watersheds first and then evaluate and design projects consistent with the more comprehensive approach. We know that will require collaboration early and continuously but we believe it will prevent problems later.

Conclusion

Transformation of the Corps won't be easy, but we stand ready to work with you to address these issues. As our critics continue to offer constructive advice, I would ask that they work with us as well the Congress, the Administration, other interest groups and our partners and stakeholders, for the well being of the American people and the environment in which we live.

The National Economy and Defense

Water resources management infrastructure has improved the quality of our citizens' lives and supported the economic growth and development of this country. Our systems for navigation, flood and storm damage reduction projects, and efforts to restore aquatic ecosystems contribute to our national welfare. The stream of net benefits, realized as reduced transportation costs, avoided flood and storm damages, and improvements in environmental value can be considerable.

Civil Works Program research and development provides the nation with innovative engineering products, some of which can have applications in both civil and military infrastructure spheres. By creating products that improve the efficiency and competitiveness of the nation's engineering and construction industry and providing more cost-effective ways to operate and maintain infrastructure, Civil Works Program research and development contributes to the national economy.

The Civil Works Program is a valuable asset in support of the National Security Strategy in that it provides a way to maintain a trained engineering workforce, with world-class expertise, capable of responding to a variety of situations across the spectrum of national defenses. This force is familiar with the Army culture and responsive to the chain of command. Skills developed in managing large water and land resource management projects transfer to most tactical engineering-related operations. As a byproduct, Army Engineer officers assigned to the Civil Works Program receive valuable training, in contracting and managing large projects.

Over the past year, about 1,000 Corps civilian volunteers have deployed to Iraq, Afghanistan, and elsewhere in support of our Nation's efforts in the war against terrorism. They are involved in every aspect of rebuilding these nations and establishing the conditions for democracy to flourish. The work is vitally important and, quite often, dangerous. In fact, several Corps civilians have been wounded and several of our contractor partners have been killed. Our Civil Works team has responded magnificently and is performing indispensable work. We're fortunate to have such talented and dedicated professionals to call upon and we're so grateful for their service

In Iraq, we have been deeply involved in the restoration of the Iraqi Oil industry. Our involvement has helped ensure that more than 268 million barrels of crude oil have been exported, resulting in more than seven billion dollars being returned to the Iraqi economy. This income is forming the basis of the emerging national economy in Iraq, with much of the profit being reinvested in restoring Iraqi infrastructure. We are also assisting in the procurement of refined oil products in Iraq, which are essential to every day life in Iraq.

The Corps is proud to have worked closely with the Coalition Provisional Authority (CPA), U.S. Agency for International Development, and the Iraqi Governing Council in restoring reliable electricity throughout Iraq. When it became obvious that years of neglect and sabotage had brought the Iraqi electrical power production and transmission to near collapse, the Corps, working with the CPA and USAID exercised its time-proven civil emergency response capabilities and provided a much-needed boost to electricity delivery across Iraq. We continue to assist the CPA and USAID in electrical power production and distribution, and today, the average Iraqi has greater access to electricity than he had before the war. No longer is access to electricity a measure of loyalty to the Iraqi regime.

The Corps is also playing a major role in securing and making safe the more than 600,000 tons of former regime munitions spread cross Iraq through our Captured Enemy Ammunition mission. As of February 10, 2004, 350,000 tons of captured enemy ammunition had been secured and protected from the hands of saboteurs and terrorists. Another 43,00 tons has been destroyed. This mission is vital to the safety of our soldiers, coalition partners, and innocent citizens of Iraq, as it helps deny terrorists access to raw materials they need to make weapons and explosives.

We are also contributing to the continuous improvement of the safety and quality of life for soldiers, sailors, airmen and marines in both Iraq and Afghanistan as we continue to construct and upgrade their living and working areas. In Afghanistan, we are also working with the USAID and the Ministry of Transportation as they restore the infrastructure necessary for a prosperous Nation.

Conclusion

Throughout my career I have been privileged to work with the outstanding men and women who make up the Army Corps of Engineers. I am making the changes necessary to ensure the continued integrity of the Corps Civil Works program, so that the Corps can continue to fulfill its role in helping to address many of the water resources needs of this great Nation. I view our current situation as an opportunity. This is an opportunity for us to see ourselves anew and rededicate ourselves to our principles.

Mr. Chairman, this completes my statement. I am prepared to answer your questions as well as those of other members of the Committee.