



CORPS OF ENGINEERS—CIVIL WORKS

Highlights:

- The Army Corps of Engineers civil works program (Corps) develops, manages, restores, and protects water resources primarily through the construction, operation and maintenance, and study of water-related infrastructure projects. The Corps is also responsible for regulating development on navigable waters of the United States and works with other Federal agencies to help communities respond to and recover from floods and other natural disasters.
- The Budget focuses Federal investment where it is most warranted. The Budget also proposes reforms to how the Nation invests in water resources projects, reducing the reliance on Federal funding and control and providing States and local government, as well as the private sector, more flexibility to make investments they deem a priority.
- The Budget requests \$4.8 billion for the Corps, a more than 20-percent decrease from the 2017 enacted level.

The President's 2019 Budget:

The Corps has three main missions: flood and storm damage reduction; commercial navigation; and aquatic ecosystem restoration. The Corps also regulates development in navigable waters and wetlands. While the Agency has had a significant impact on water resources development throughout its history, current approaches to funding, constructing, and maintaining projects are not delivering benefits in either a timely or cost effective manner. The current paradigm for investing in water resources development is not sustainable; it can deter rather than enable local communities, States, and the private sector from making important investments on their own, even when they are the primary beneficiaries. The Budget supports the Administration's infrastructure proposal and lays the groundwork for: modernizing the Nation's approach to water resources; broadening the pool of capital for infrastructure investments; reducing bureaucratic red tape; and empowering State, local, and private decision-making. The Budget does this by focusing Federal investment where it is most warranted and proposing reforms to provide States and communities greater flexibility to make the investments that they deem priorities.

Provides Accountability to the American Taxpayer

Emphasizes Investments in Ongoing Construction of Projects with High Economic or Environmental Returns while Addressing Public Safety. The Budget keeps the Federal Government's promise to complete ongoing construction projects, which provide a high return to the Nation or address a significant risk to public safety, more quickly and cost effectively. By proposing to not start any new construction projects, the Budget enables the Corps to focus on completing these ongoing priority projects faster for less cost, allowing the affected communities to see their benefits sooner. The Budget also recognizes the need for a change in the way future construction investments are funded, with less reliance on Federal appropriations. For example, the Budget proposes to accelerate repairs of the Herbert Hoover Dike through an innovative partnership between the Federal Government and the State of Florida using a combination of appropriations from the Federal Government and the State of Florida.

Prioritizes Operating and Maintaining Existing Infrastructure. The Budget gives priority to operating and maintaining existing infrastructure, improving its reliability, and improving its resilience to cyber-related attacks. Maintenance of key infrastructure is funded; this includes navigation channels that serve the Nation's largest coastal ports and the inland waterways with the most commercial use, such as the Mississippi and Ohio Rivers, and the Illinois Waterway.

Increases Transparency for the American Taxpayer. The Budget establishes clear priorities based on objective criteria for investment decisions. This approach ensures the best overall use of available funds and allows the American taxpayer to understand how Federal resources are allocated. For example, the Budget begins to fund dam safety studies and dredged materials disposal plans within the investigations account where they appropriately belong. The Budget also classifies the Poplar Island project, which serves as the primary dredged material disposal site for the Port of Baltimore, as a navigation project. The Administration believes new Federal investment decisions should be clearly identified by both the Administration and the Congress before funds are spent. Consistent with this approach, the Budget does not propose any new starts. In addition, the Budget proposes revisions to the appropriations language for the Construction, Operations and Maintenance, and Mississippi River and Tributaries accounts and the Harbor Maintenance and Inland Waterways Trust Funds to enable greater transparency in how these funds are spent.

Promotes American Economic Prosperity

Reforms Inland Waterways Funding. The Budget proposes to reform the laws governing the Inland Waterways Trust Fund, including an annual per vessel fee for commercial users, to help finance future capital investments on these waterways and a portion of the cost of operating and maintaining them. The current diesel fuel tax is insufficient to support the users' share of these costs.

Increases Flexibility for State and Local Communities to Make Investment Decisions

Reduces the Harbor Maintenance Tax. The Budget proposes to reduce the Harbor Maintenance Tax as a step toward providing ports greater flexibility to finance their capital and operating costs on their own. By reducing the tax burden on users of ports, ports would have greater flexibility to determine appropriate fees for services they provide, in order to help finance their operations.

Divests the Washington Aqueduct. The Budget proposes to sell the Washington Aqueduct, the wholesale water supply system for Washington, District of Columbia; Arlington County, Virginia; the City of Falls Church, Virginia; and parts of Fairfax County, Virginia. The Corps owns and operates the Aqueduct, which is the only local water supply system in the Nation owned and operated by the Corps. Ownership of local water supply is best carried out by State or local government or the private

sector, where there are appropriate market and regulatory incentives. Selling the Aqueduct to a public or private utility would contribute to American economic prosperity through a more efficient allocation of economic resources.