



CORPS OF ENGINEERS—CIVIL WORKS

Funding 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 within the three primary mission areas of the Corps to address the most significant risks to public safety or to provide a high economic or environmental return to the Nation. The Budget also proposes reforms to how the Nation invests in water resources projects, reducing the reliance on Federal funding and control and providing State and local governments, 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 \$2.2 billion or 31-percent decrease from the 2019 enacted level.

The President's 2020 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 often do not deliver benefits in either a timely or cost-effective manner. The current paradigm for investing in water resources development is not optimal; 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 lays the foundation for accelerating the construction of infrastructure and increasing competition in the delivery of projects, thereby resulting in faster completion of projects and cost savings. The Budget focuses Federal resources where they are most warranted, encourages more non-Federal leadership, and removes barriers that can impede the ability of non-Federal parties to move forward on their own with investments in water resources infrastructure they deem priorities.

Invests in America's Future

Emphasizes Investments in Ongoing Construction of Projects that Address a Significant Risk to Public Safety or Provide a High Economic or Environmental Return. The Budget keeps the Federal Government's promise to complete ongoing construction projects that provide a high return to the Nation or address a significant risk to public safety more quickly and at a more effective cost. By proposing not to start any new construction projects, the Budget enables the Corps to focus on completing these ongoing priority projects faster and at a reduced cost, allowing the affected communities to see their benefits sooner. The Budget also recognizes the need to change the way future construction investments are funded with less reliance on Federal appropriations. For example, the Budget provides \$150 million for innovative partnerships between the Federal Government and non-Federal sponsors to accelerate completion of projects.

Prioritizes Operating and Maintaining Existing Infrastructure. The Budget gives priority to operating and maintaining existing water resources infrastructure and improving its reliability. Maintenance of the key features of this 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.

Transforming How Water Resources Infrastructure is Delivered for the Nation

"For the first time, the work plan provides funds for two projects where the local sponsor could use [s]ection 1043 of the Water Resources Reform and Development Act of 2014 to complete project construction. This section authorizes [Corps] to provide its share of a project's construction costs directly to a non-[F]ederal sponsor who is able to assume responsibility for construction of a [Corps] project."—*Army Corps of Engineers FY 2018 Work Plan* press release, June 11, 2018. The Budget builds on this progress, providing \$150 million in funding for non-Federal sponsors that propose to construct projects on their own under section 1043 of the Water Resources Reform and Development Act of 2014, as amended.

Promotes More Local Control in Constructing Water Resources Projects. The Budget expands the Corps's current use of section 1043 of the Water Resources Reform and Development Act of 2014, as amended, by including \$150 million for an innovative program under which the Corps would transfer appropriated funds to non-Federal sponsors that decide to construct a project on their own. Non-Federal implementation of projects, where appropriate, would accelerate the construction of more infrastructure projects and create efficiencies in their delivery. Under this program, the Corps would issue a solicitation for proposals from non-Federal sponsors to construct their own projects using a combination of Federal and non-Federal funding. Other projects specifically funded in the Budget may also qualify for implementation under section 1043. The Budget also proposes to extend section 1043 which, under current law, expires in 2019.

Respects and Protects American Taxpayers

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.

Divests the Washington Aqueduct. The Budget proposes to sell the Washington Aqueduct, the wholesale supply system for Washington D.C.; 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 a State or local government, or by the private sector where there are appropriate market and regulatory incentives. Selling the Aqueduct to a public or private utility would contribute to American prosperity through a more efficient allocation of economic resources.

Increases Accountability. 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 funds dam safety studies and dredged material management plans within the Investigations account, instead of the Operation and Maintenance 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.

Increases Fiscal Discipline and Transparency. The Budget proposes revisions to the appropriations language for the Construction, Operation and Maintenance, and Mississippi River and Tributaries accounts, and new appropriations language for the Harbor Maintenance and Inland Waterways Trust Funds, to provide greater transparency in how these funds are spent. Establishing separate appropriations accounts for the navigation trust funds would improve accountability, ensure appropriations are used for the purpose for which the Congress intended, and increase transparency for the public, including the users that pay fees to finance some of these costs.

Working with States and Local Communities to Improve Infrastructure

The Budget funds transfer of ownership of the Kentucky River Locks and Dams 1, 2, 3, and 4, to the Kentucky River Association. Transferring infrastructure such as these locks and dams, which no longer serve a Federal role, to the primary beneficiaries enables greater local control and management of infrastructure that is important to the local communities.