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THE FOUNDATIONS FOR A NEW WATER RESOURCES DEVELOPMENT ACT

(113–10)

HEARING

BEFORE THE

SUBCOMMITTEE ON
WATER RESOURCES AND ENVIRONMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

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U.S. House of Representatives

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Chairman

Washington, DC 20515

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Ranking Member

April 12, 2013

Christopher P. Bertram, Staff Director

James H. Zoia, Democrat Staff Director

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Water Resources and Environment
FROM: Staff, Subcommittee on Water Resources and Environment
RE: Water Resources and Environment Subcommittee Hearing on "The Foundations for a New Water Resources Development Act"

PURPOSE

On April 16, 2013 at 10:00 a.m. in 2167 Rayburn House Office Building, the Water Resources and Environment Subcommittee will hold a hearing on the water resources projects and programs of the Army Corps of Engineers and priorities for a new Water Resources Development Act. The Subcommittee will hear from representatives of organizations that have an interest in civil works projects and programs of the Army Corps of Engineers.

BACKGROUND

In General

The Subcommittee has jurisdiction over the Army Corps of Engineers' (Corps) civil works program, which is the Nation's largest water resources program. The Corps' responsibilities include navigation, flood control, shoreline protection, hydropower, dam safety, water supply, recreation, aquatic environmental restoration and protection, and disaster response and recovery. In addition to oversight of Corps' programs and projects, the Committee places a priority on enactment of a Water Resources Development Act (WRDA). This legislation usually contains project authorizations, modifications and deauthorizations, program revisions, policy initiatives, and related provisions involving Corps activities. Traditionally a WRDA bill is authorized every two years, though there has been a gap of time since the last bill was enacted in 2007 as P.L. 110-114. All past WRDA bills have consisted primarily of project specific authorizations.

Army Corps of Engineers Water Resources Program

The Army Corps of Engineers studies, designs, and constructs projects for the primary purposes of navigation, flood damage reduction, and aquatic ecosystem restoration.

Multipurpose projects may include hydropower, recreation, and water supply. The Corps studies the potential for water resources development and recommends a project that is economically justified and environmentally sound. In the case of environmental restoration projects, project outputs are deemed to equal the costs.

The first step in a Corps water resources development project is a study of the project's feasibility. If the Corps has conducted a study in the area before, the new study was typically authorized by a resolution (known commonly as a "survey resolution") of either the House Committee on Transportation and Infrastructure or the Senate Committee on Environment and Public Works. If the Corps has not previously studied the area, then an Act of Congress is necessary to authorize the study. The majority of studies are authorized by survey resolutions of the Committee on Transportation and Infrastructure.

Once authorized, the study process consists of two parts. The Corps first performs a reconnaissance study at federal expense, usually taking 12-18 months to complete. This phase defines the water resources problems and opportunities; assesses the potential sponsor's level of interest and support for the identified potential solutions; and evaluates federal interest, economic costs and benefits, and environmental impacts of potential solutions.

If the reconnaissance study indicates that there may be a viable federal project and that a more detailed feasibility study should be undertaken, the Corps prepares a feasibility report, the cost of which is shared 50 percent by the federal government and 50 percent by the non-federal sponsor. The feasibility study examines project alternatives and recommends a project that is technically sound, environmentally acceptable, and economically justified. In accordance with cost-sharing formulas established by law, the study typically recommends a project that would be constructed on a cost-shared basis with a non-federal sponsor. After a full study is completed, the results and recommendations of the study are submitted to Congress in a final report of the Chief of Engineers.

Assuming the study recommendations are favorable, the next step is authorization. Project authorizations are traditionally contained in WRDA. The typical prerequisite for including a project authorization in WRDA is a favorable report from the Chief of Engineers.

The Corps of Engineers also has authorities to construct certain small projects without specific authorization by Congress. These authorities, known as the "continuing authorities program," include beach erosion, navigation, flood control, streambank and shoreline protection, snagging and clearing, modifications to existing projects for the benefit of the environment, and aquatic ecosystem restoration.

The Corps also has an emergency response mission that is activated in times of natural and man-made disasters. Under its own authorities and through mission assignments from the Federal Emergency Management Agency (FEMA), the Corps responds to floods, hurricanes, earthquakes, droughts, and terrorist attacks. The most recent example of this is after Hurricane Sandy where the Corps assisted in cleanup activities and rehabilitation of federal and non-federal projects in the Northeast.

Today the Corps maintains more than 12,000 miles of channel for commercial navigation and operates and maintains 239 locks at 193 sites. Over half of the locks are 50 years old, with the average age of a lock being 59.1 years. The Corps also maintains 300 deep draft commercial harbors and 600 shallow coastal and inland harbors.

To address flood risks, there are 383 major lakes and reservoirs managed, 14,501 miles of federal levees, and more than 700 dams owned and operated by the Corps. Corps flood control projects prevent on average more than $37 billion in flood damages annually. Every dollar invested in a Corps flood project prevents $7.89 in damages.

Harbor Maintenance Tax and Harbor Maintenance Trust Fund

The Harbor Maintenance Tax (HMT) and the Harbor Maintenance Trust Fund (HMTF) were established by the Water Resources Development Act of 1986. The HMT is applied as a 0.125 percent *ad valorem* fee on the value of commercial cargo loaded or unloaded on vessels using federally maintained harbor projects. HMT revenues collected by the U.S. Customs Service are transferred to the HMTF and subsequently transferred to the General Treasury in accordance with Congressional appropriations and agency expenditures. The HMTF is used to recover 100 percent of the Corps eligible operation and maintenance expenditures for commercial navigation, along with 100 percent of the operation and maintenance cost of the St. Lawrence Seaway by the St. Lawrence Seaway Development Corporation. Beginning in fiscal year 1998 the federal share for construction of Dredged Material Disposal Facilities (DMDFs) is also eligible for recovery from the HMTF in accordance with Section 201 of WRDA 1996.

Since 1987, the HMTF has supported the operation and maintenance of commercial harbor projects maintained by the federal government. The dredging of navigable channels and harbors is the primary operation and maintenance activity for which Corps expenditures are recovered from the HMTF. These operation and maintenance projects facilitate safe, reliable, and cost-effective conveyance of waterborne vessels on federal channels at coastal ports, Great Lakes ports, and inland harbors and channels and on the St. Lawrence Seaway.

In recent years the revenues into the HMTF have amounted to about $1.5 billion. However, only about half of the collected amount is being appropriated each year. The result is that about $7.5 billion collected for the HMTF has not been used for its intended purpose.

Inland Waterway Trust Fund

The Inland Waterways Trust Fund was first authorized in the Inland Waterways Revenue Act of 1978 for the purpose of providing funds for the construction and rehabilitation of navigation projects on the designated Inland Waterways Transportation System. The 1978 Act created the Trust Fund by assessing a fuel tax on vessels that utilized the Inland Waterways Transportation System beginning in 1980 at a rate of $0.04 per gallon and incrementally increased to the current level of $0.20 per gallon in 1994.

However, it was not until passage of the Water Resources Development Act of 1986 that expenditures were authorized from the Inland Waterways Trust Fund. By then, the Trust Fund

had grown to $260.2 million. Trust Fund expenditures pay for half of a given construction or rehabilitation project with the other half coming from the General Fund of the Treasury, while operation and maintenance activities are paid for in total from the General Fund of the Treasury.

The Inland Waterways Trust Fund is an invested fund in interest-bearing obligations and the Trust Funds revenues are a combination of tax receipts and interest earnings. The Treasury Department is responsible for the quarterly collection and investment of these receipts; while the United States Army Corps of Engineers in consultation with the Inland Waterways Users Board is responsible for recommending the timing and amount of the expenditures during its preparation of the annual budget submission to Congress. Congress is ultimately responsible for appropriating funds from the Trust Fund and General Fund in support of construction and rehabilitation activities on the Inland Waterways Transportation System.

The balance in the Trust Fund steadily declined between 2003 (a year-end balance of $412.6 million) and 2009 (a year-end balance of $57.7 million) as Congress dedicated increased amounts to modernize the Inland Waterways Transportation System. In fact, from 2000 to 2009, expenditures exceeded revenues. This resulted in a decline of the Trust Fund balance to the point that today; expenditures are limited to the amount of annual fuel tax revenue collected for that particular year. The increased costs and constrained Trust Fund have resulted in a backlog of authorized yet unconstructed projects.

WITNESSES

The Honorable Harry Simmons
Mayor, Caswell Beach, NC
President, American Shore and Beach Preservation Association

Mr. Warren D. Williams
General Manager, Riverside County Flood Control and Water Conservation District
President, National Association of Flood and Stormwater Management Agencies

Mr. Peter Stephaich
Chairman, Campbell Transportation Company
Secretary, Waterways Council, Inc.

Mr. Adolph N. Ojard
Executive Director, Duluth Seaway Port Authority
Chairman, U.S. Legislative Policy Council, American Association of Port Authorities

Dr. Christopher J. Gobler
School of Marine and Atmospheric Sciences, Stony Brook University

Ms. Amy Larson
President, National Waterways Conference, Inc.

THE FOUNDATIONS FOR A NEW WATER RESOURCES DEVELOPMENT ACT

TUESDAY, APRIL 16, 2013

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

The subcommittee met, pursuant to notice, at 10:09 a.m., in Room 2167, Rayburn House Office Building, Hon. Bob Gibbs (Chairman of the subcommittee) presiding.

Mr. GIBBS. At this time the Water Resources and Environment Subcommittee will come to order.

I would like to welcome everybody to our first subcommittee hearing of this new Congress. Today we have esteemed panelists, and I am going to turn it over in a second to my ranking member to introduce one of the panelists.

We will introduce them and then go back to opening statements, to just recognize they are here.

Mr. BISHOP. Thank you very much, Mr. Chairman.

And I appreciate the opportunity to introduce a member of the panel who is a long-time colleague. We had the pleasure of working together at Southampton College, and now, Professor Chris Gobler is at the Stony Brook University campus at Southampton, where he is part of the university's School of Marine and Atmospheric Sciences. He is a recognized national and international expert in the field of marine and fresh water ecology, and over the last 20 years he has published over 90 peer-reviewed articles and multiple professional journals.

He is intimately involved in the Shinnecock Bay Restoration Project, which is a project that has enormous regional significance, and he is recognized as a national expert on how coastal physical and biological systems respond to storm and development impacts.

So, Chris, it is a pleasure to welcome you to Washington, and I should tell the whole room here that if there is a better teacher alive, I would like to meet him or her. Chris, welcome to the committee and thank you.

Mr. GIBBS. Thank you, Representative.

Also on our panel today we have the Honorable Harry Simmons. He is the mayor of Caswell Beach, North Carolina. He is also president of the American Shore and Beach Preservation Association.

Also Mr. Warren Williams, who is the general manager of Riverside County Flood Control and Water Conservation District. He is

also the president of the National Association of Flood and Stormwater Management Agencies.

We also have Mr. Stephaich. He is chairman of the Campbell Transportation Company and secretary of the Waterways Council.

Also Mr. Adolph Ojard. He is the executive director of the Duluth Seaway Port Authority. He is also the U.S. delegation chairman of the American Association of Port Authorities.

And also Ms. Amy Larson, who is president of the National Waterways Conference.

And at this time I am going to turn it over. I am really pleased that our chairman of the full Committee on Transportation and Infrastructure, Chairman Shuster, is here. He has taken a real interest in the importance of WRDA and the waterways and maritime transportation system and the challenges we have. So I am going to turn it over to Mr. Shuster for an opening statement.

Mr. SHUSTER. Thank you, Mr. Chairman, and thanks for all your hard work over the past couple of months holding a number of listening sessions, and we had a roundtable with Ranking Member Bishop and Ranking Member Rahall.

I think it is extremely important that we are listening to the stakeholders out there, and in our last bipartisan roundtable, there was equal surprise and concern by both sides of the aisle as to the excessive costs and time delays that plague many of the core projects.

In fact, at one point I could not tell the difference of who was a Republican and who was a Democrat in the room because we were all, as I said, frustrated by what we have heard and what we are hearing. So it is important that we move a WRDA bill forward.

We are going to move it forward in a fashion where we have listened to folks. We reach across the aisle and we want to do this in a bipartisan way because I think, as I said, in that last roundtable we had there is concern on both sides of the aisle to making sure we streamline the process to move these projects forward. Excessive studies and time delays just need to stop.

WRDA does matter, and again, it is a bill that when I say "WRDA" I always need to follow with Water Resources and Development Act. Too many of my colleagues were not here; in fact, about 46 percent of the Members of the House today were not here in 2007. So they are not familiar with the WRDA bill, and if you do not come from a port or harbor town or a river town, or have a place that has significant problems with flooding, you do not understand necessarily the importance of a WRDA bill.

So as we move forward with this bill in a bipartisan way with our goal of trying to solve these problems, I know that the Senate has moved it out of their committee, and it appears that it may be on the Senate floor here in the coming weeks. We need to pay attention to what has happened in the Senate. I think the Senate bill has some very good features to it. There are some things that are not included, but again, as we start to craft our bill we want to make sure that we are making the right decisions and making sure the investments are made.

One of the numbers that I have come across in these listening sessions, I was talking to the soybean growers, and the United States is one of the leading producers of soybeans in the world. One

of our number one competitors is Brazil, and we have a competitive advantage over the Brazilians because it takes us, the United States, because of our inland waterway system, our transportation system, $85 to move a ton of soybean from Davenport, Iowa, to Shanghai, China. It takes the Brazilians to move that same ton same distance $141. And we see today the Brazilians are investing $26 billion in their water infrastructure, as well as the Chinese are down there investing.

So we need to pay close attention to that because as each year goes on, their number is going to come down and ours is going to go up if we do not streamline this process, have the reforms necessary to get these projects done quicker because time is money, and also be looking at how do we make sure that we are funding these projects at a level they need to be funded at.

Again, I go back to the founding of this country. Transportation, commerce has always been at the core of the Federal Government, what our role is in the Constitution going back to why the Federalists Papers failed. It was a transportation system, a water transportation system, an inland water transportation system. When the Virginians and the folks from Maryland could not come together on a treaty to navigate the Potomac River, they came away with the failed negotiations realizing we had to strengthen our Constitution and make sure that it was clear that the Federal Government had a role, and it does have a role.

As we see, the Panama Canal as it is moving forward, we only have seven ports in this country that can take those ships today. We are not going to have every port dredged to a depth to be able to take those ships, but we assuredly need more ports in this country to move forward.

I think a lot of us have heard the situation down in Miami where the Port of Miami has the money. They are ready to move forward. The Federal Government will not step up and say they are going to reimburse and say they are going to take over the maintenance and operation cost going forward.

You know, these are problems we have out there we need to look closely at, and again, it is one of my top priorities. It is one of the committee's top priorities to make sure we have passed a WRDA bill that improves the operation of the Corps, and as I have said and I have been saying, is making sure we are making those investments in a timely manner.

So, again, I thank the chairman for holding this hearing. I thank the ranking member, Mr. Bishop, for his work on this issue, too, and I yield back.

Mr. GIBBS. Mr. Bishop, do you have any opening statement?

Mr. BISHOP. Thank you, Mr. Chairman.

I thank you for holding today's hearing, and I welcome you back to your role as chairman of the Subcommittee on Water Resources and the Environment, and I look forward to working with you throughout the year on issues of importance to the Nation.

Chief among these is the issue of jobs and how we can harness the power of this committee to help create hard working jobs for American families. Like I can imagine you were, Mr. Chairman, I was disappointed in the job creation numbers that came out earlier

this month. While the national unemployment rate ticked down to 7.6 percent, there is still about 11.7 million unemployed Americans.

When you examine these numbers more deeply, you can see that some areas of the economy are taking longer to recover than others. For example, the March unemployment rate in construction was 14.7 percent, the highest unemployment rate in any sector examined in the national labor market. To be blunt, there are currently 1.2 million unemployed construction workers in the Nation that need our help.

Mr. Chairman, I am frequently asked whether the Federal Government can do anything to help reduce the rate of unemployment in this Nation. In my view, and I think it is one that is backed up by lessons learned from the Recovery Act of 2009, Federal investments in our Nation's infrastructure systems, our highways, bridges, airports, sewers, and other water related infrastructure do, in fact, create jobs.

That is why the work of this committee is so important, because it primes the pump for additional investments in our Nation's infrastructure that will benefit the country in so many ways.

First, they create well-paying jobs for American families that cannot be outsourced overseas.

Second, these investments benefit our overall national economy, leading to better transit corridors, reduced congestion, competitive markets, better air and water quality, and increased international competitiveness and productivity.

Third, these investments improve regional and local quality of life issues, making our communities more livable, more accessible and fostering regional and local economies.

Finally, these investments provide a resounding return on what is a relatively modest Federal investment, not only in terms of increased tax revenues, but lower Federal expenditures for unemployment insurance and other Federal support programs.

As others have noted, it has been over 6 years since the Congress last approved a Water Resources Development Act, and in those intervening years our Nation's needs have matured and our awareness of the fragile nature of our infrastructure has increased, and yet our national, regional, and local fiscal situations have grown more complicated.

As of today's hearing, the committee has received 23 completed reports of the Chief of Engineers for projects all across the country for navigation, flood control, and environmental restoration. The combined total cost of these Chief's Reports is approximately $15.5 billion and addresses issues ranging from providing enhanced flood protection for cities from Sacramento, California, to Fargo, North Dakota, to Topeka, Kansas, to providing expanded navigational capabilities to the Sabine-Neches Waterway along the Texas-Louisiana border, as well as Jacksonville Harbor, Florida, to authorizing the next stage of restoration for the Florida Everglades or the coastal areas of Mississippi and Louisiana that were so heavily impacted by Hurricanes Katrina and Rita.

In other words, the scope of the work that is awaiting action from this committee is comprehensive, is national, and when carried out will provide significant benefits to the lives and livelihoods of communities all across the Nation.

During the debate on a new WRDA, I expect to have some lively discussions on how to proceed. For example, we need to have a serious discussion on how to address the pending construction work that this committee authorized the Corps to study and this Congress funded at taxpayer expense under the existing earmark moratorium.

We also need to have a serious discussion on how we can address our local needs when faced with an ever constrained Federal budget process and one that will become even more constrained should the House continue to follow the 10-year cut to the Corps budget called for in the Majority's budget proposal.

We need to have a serious discussion about why projects studied by the Corps take years to complete and whether the actions developed by the Corps in response to this committee's direction in WRDA 2007 are making significant improvements to this process.

And finally, we need to have a serious discussion on the future of the Corps and how we expect the agency to address many of the water related challenges facing our Nation today. This is no easy task, but it is one that is going to require significant efforts from both sides of the aisle to address fundamental challenges within a complicated system.

Mr. Chairman, again, I am glad we are starting this process today, and I look forward to working with you on a bipartisan basis to meet the needs of our communities and our Nation.

I yield back. Thank you.

Mr. GIBBS. Thank you, Mr. Bishop.

Today our hearing is on the foundations for a new Water Resources Development Act. We are holding our first of multiple hearings with regard to the United States Army Corps of Engineers and the next Water Resources Development Act, and we are holding our first hearing of this Congress as a subcommittee, and I would like to welcome our new members to the committee. You are going to find it very interesting and important, the work we do here.

It is time for this Congress to reengage in the development of the Nation's water resources and play a bigger role in prioritizing projects and activities carried out by the Army Corps of Engineers. Congress cannot continue to abdicate its constitutional role and responsibility in determining what projects should go forward and should reassert itself in the face of an administration that creates a one size fits all policy with little or no transparency.

Over the last few weeks, we have held a number of educational forums and roundtables on the Corps of Engineers program. One of the themes that has emerged is the concern of industry stakeholders and non-Federal project sponsors, typically counties or cities, regarding the time it takes the agency to actually reach a decision. In what used to take the Corps 3 to 5 years to study, it has now become the norm for the Corps to take 10, 12, or even 15 years to produce a study. This is unacceptable.

And it is no wonder it is taking so much time since the Corps has to review in detail many different alternatives. In one case, a Chief's Report was sent to Congress last year. The study of the project was authorized in 1999. The original purpose of the project was for navigation improvements, but when the Chief's Report was delivered to Congress last year, the total project cost was $650 mil-

lion, but only $250 million was for the actual construction of the navigation improvements. The rest of the project costs, almost $400 million, are attributed to environmental enhancements, not just environmental mitigation.

In another case, the Corps of Engineers delivered to Congress a Chief's Report for which there is no Federal cost share partner. The study took 7 years to develop, but since then there is no Federal sponsor. Why should the Congress authorize this project? The funding spent on that study could have been spent more wisely in projects where there are non-Federal sponsors and local support.

Lastly, a Chief's Report came to Congress authorizing a project to prevent storm damages, but also included in that Chief's Report would be the authority, should Congress choose to give it, for the Corps of Engineers to carry out an additional $140 million worth of studies in the project area.

Ultimately, the Federal taxpayer is on the hook for these studies and for the length of time it takes to carry them out. The Corps reviews far too many alternatives, and then sends to Congress a project request that far exceeds in scope and cost which was initially intended.

As one of our witnesses will explain to the subcommittee today, just because a study is costly, complex, and long does not necessarily mean that it's a better project. In fact, a large, costly project with so many add-ons that never gets funded is a benefit to no one.

It is critical to accelerate these studies, but it is also extremely important that we better prioritize the Corps of Engineers program to focus the agency on those projects and activities that protect life, promote safety, and have an economic return on investment and have local support.

As we move forward with the policy-heavy Water Resources Development Act, we will be focusing on accelerating the study and project delivery process, as well as better prioritizing these worthwhile investments that the American public had relied on for decades.

Congressman Bishop is right. It is about jobs. It is about job creation. It is about being competitive in the global marketplace and moving our country and our economy forward in global competitiveness.

So I want to thank the witnesses for coming, and we are interested in hearing your testimony. With no further ado, we will get right to that.

If any other Members have opening statements, you may submit them for the record.

We do have an unanimous consent request. I ask unanimous consent that the record of today's hearing be left open until such time as witnesses have provided answers to any questions that may be submitted in writing or additional comments or materials offered by individuals or group may be included in the record of today's hearing.

All in favor? No objection do we see. We are good to go on the unanimous consent.

OK. We will start here with the Honorable Harry Simmons, your opening statement, and then we will go through all of the opening

statements and we will go back and do Q&A at the end of the statement. Welcome.

TESTIMONY OF HON. HARRY SIMMONS, MAYOR, CASWELL BEACH, NORTH CAROLINA, AND PRESIDENT, AMERICAN SHORE AND BEACH PRESERVATION ASSOCIATION; WARREN D. WILLIAMS, GENERAL MANAGER/CHIEF ENGINEER, RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, AND PRESIDENT, NATIONAL ASSOCIATION OF FLOOD AND STORMWATER MANAGEMENT AGENCIES; PETER STEPHAICH, CHAIRMAN, CAMPBELL TRANSPORTATION COMPANY, AND SECRETARY, WATERWAYS COUNCIL, INC.; ADOLPH N. OJARD, EXECUTIVE DIRECTOR, DULUTH SEAWAY PORT AUTHORITY, AND U.S. DELEGATION CHAIRMAN, AMERICAN ASSOCIATION OF PORT AUTHORITIES; CHRISTOPHER J. GOBLER, PH.D., SCHOOL OF MARINE AND ATMOSPHERIC SCIENCES, STONY BROOK UNIVERSITY, AND DIRECTOR OF THE SHINNECOCK BAY RESTORATION PROGRAM; AND AMY W. LARSON, ESQ., PRESIDENT AND CEO, NATIONAL WATERWAYS CONFERENCE, INC.

Mr. SIMMONS. Chairman Gibbs, Ranking Member Bishop, and members of the subcommittee, my name is Harry Simmons. I am president of the American Shore and Beach Preservation Association, which has advocated for a healthy coastline since 1926.

Thank you for the opportunity to appear before the subcommittee today to discuss the upcoming Water Resources Development Act.

ASBPA is comprised of coastal counties, cities and towns throughout the Nation as well as a large contingent of coastal engineers, researchers, scientists and regulators. Together we advocate for policies that benefit the communities and resources of coastal America.

We are especially interested in policies that provide resiliency, sustainability, and efficiency in the commonsense management of our coasts.

America's coastlines are a valuable natural resource. Travel and tourism is one of the largest industries in this country, with beaches contributing roughly $225 billion annually in business and tax revenue to the national economy, including bringing more and more overseas visitors and their dollars to our country.

In addition, the travel and tourism industry is the largest employer in the United States and its jobs are, fortunately, difficult to move offshore. During a time where the availability of jobs is a major national concern, we should be doing everything we can to protect and maintain this country's coastlines.

America's coasts are also vulnerable to severe storms that put people, property, infrastructure and the environment at risk. Superstorm Sandy is the latest in a series of natural disasters that have highlighted this vulnerability, but what Sandy also demonstrated is that the often modest investment that the Federal Government and its non-Federal partners have made in building strong dune systems and healthy beaches was repaid many times over.

In the areas hit by Sandy, communities protected by high dunes and wide beaches survived while those without these coastal pro-

tections paid a high price. In the years ahead, there will be more storms that will threaten lives, safety, and property along the coast. A strong dune system sitting behind wide, healthy beaches is one of the best tools to reduce risk and promote sustainability.

It has been nearly 6 years since Congress passed a WRDA bill, and the programs and policies that impact America's coasts are in critical need of updating. The Federal Government's fiscal situation requires smarter spending decisions based on a system that plans, manages, and funds important water resource projects with greater efficiency.

Nowhere is this need more apparent than along our Nation's shorelines. We can no longer manage America's coastlines one project at a time. For nearly a decade ASBPA has supported the regionalization of Federal water resources activities. It is time for a multiagency, collaborative system to plan, construct, and manage water resources projects that includes Federal, State and local governments.

We hope that the WRDA bill this committee develops will include an authorization to test this approach in one or more regions of the coast. The current project-by-project approach is wasting taxpayers' money and reducing the effectiveness of Federal investments. It is also wasting precious supplies of sand in many cases by dredging navigation projects and dumping that sand offshore rather than using it to nourish beaches and provide natural habitat.

WRDA 2007 authorized a new regional sediment management program long championed by ASBPA. Unfortunately, the language of that provision enabled Corps headquarters to implement guidance that has almost nullified the effect of the WRDA provision. ASBPA would like to work with this committee to correct these defects.

Another important initiative to assure that coastal sustainability and resiliency are attained is to create a procedure to enable the evaluation and authorization of coastal protection projects whose 50-year period for Federal fiscal participation is coming to a close. The Corps currently lacks a statutorily authorized process to determine whether or not it is feasible to reauthorize Federal participation. Without a straightforward procedure to evaluate whether there is a continued Federal interest in financially supporting an expiring coastal storm damage reduction project, there is no way local governments can afford to provide the same level of protection.

In closing, Chairman Gibbs, Ranking Member Bishop, and members of the subcommittee, thank you for allowing me to appear before you today. There are other issues in our written comments which you can ask us about if you wish. ASBPA is more than happy to offer you and your staffs the assistance of our members, including world renowned coastal scientists, engineers, and managers, as well as State and local government officials and other community leaders.

Thank you.

Mr. GIBBS. Thank you, Mayor.

Mr. Williams, welcome. The floor is yours.

Mr. WILLIAMS. Thank you, Mr. Chairman.

Mr. Chairman, members of the committee, my name is Dusty Williams. I am president of NAFSMA, the National Association of Flood and Storm Water Management Agencies.

I am pleased to appear before you today to present this testimony addressing the proposals for the WRDA Act of 2013. On behalf of our membership, we thank you for your leadership and efforts to move a WRDA forward this year.

NAFSMA appreciates the difficulty of drafting this much needed bill in the light of serious economic issues facing the Nation and the constraints of earmark limitations. We thank you for taking on this challenge and offer to work with you to address these critical issues.

NAFSMA is a public agency driven organization with a focus on effective flood and storm water management in urban areas. For 35 years NAFSMA's mission has been to advocate public policy and encourage technologies in watershed management that focus on flood protection, stormwater and floodplain management. The organization is keenly aware that flood damage reduction activities and projects are a wise and necessary investment that reduce the loss of life and ensure the safety of our citizens, thereby reducing recurring requests for Federal disaster assistance.

And while our formal written testimony discusses more than a dozen recommendations for WRDA 2013, I would like to spend just a few minutes highlighting a handful of our more significant proposals.

First, enactment of WRDA itself, the reauthorization of WRDA is critical. In the wake of the enormous devastation and suffering caused by Sandy, moving our Nation's flood risk management initiatives forward is more important than ever. Local, regional and State agencies depend on WRDA's reauthorization.

Exclude Corps of Engineers water resource projects from the definition of earmarks. Federal funds used to reduce the loss of life and property damages from floods are an investment in improving the resiliency of a community and the Nation. The Corps of Engineers process and associated legislative requirements for identifying, vetting, and funding potential projects is an example of a transparent and public process which does not belong in the earmark category.

Enact a national levee safety program. As a member of the National Committee on Levee Safety, I am pleased that the NAFSMA membership approved a resolution in support of a national levee safety program. NAFSMA's resolution notes that the Nation lacks a complete understanding of levee location, ownership, and condition, and that Federal funding participation is required for the rehabilitation and repair of levees, many of which were constructed in partnership with the Corps.

NAFSMA urges Congress to move forward with a voluntary and incentive-based national levee safety program that includes qualified States and local and regional flood control agencies, and that also establishes a national levee rehabilitation improvement and flood mitigation fund.

Develop and implement measures to more closely harmonize levee O&M activities with environmental requirements. This National Committee on Levee Safety recommendation is particularly

important to NAFSMA members who are currently trying to maintain the integrity and strength of their existing levees so they provide the flood reduction capabilities expected by the public.

NAFSMA urges Congress to clarify routine maintenance for damage reduction facilities and to improve the regulatory process for obtaining the necessary permits.

Levee vegetation review. NAFSMA strongly supports the inclusion of language to direct the Assistant Secretary to conduct a comprehensive review of Corps policy guidelines regarding vegetation on levees. NAFSMA has raised concerns about the one size fits all nature of this policy which we are concerned is not supported by conclusive research.

Non-Federal project implementation pilot program. We are also recommending inclusion of a pilot program to evaluate the cost effectiveness and efficiency of allowing non-Federal interests to carry out flood risk management projects. NAFSMA is very supportive of this type of effort for the design and construction of projects that do not require a new start.

Address crediting issue. NAFSMA supports including language to address concerns of non-Federal partners relating to credit eligibility and its availability to sponsors for advanced construction of flood protection works. With the current economic strain faced by non-Federal sponsors and their Federal counterparts alike, the ability to address critical flood damage reduction and public safety needs by promoting earlier construction of these essential projects represents a sound investment of Federal and local resources.

In closing NAFSMA very much appreciates this opportunity to testify, and our members look forward to working with the committee on a WRDA 2013.

I would be happy to answer any questions you may have, sir.

Mr. GIBBS. Thank you, Mr. Williams.

Mr. Stephaich, welcome. The floor is yours.

Mr. STEPHAICH. Thank you, Chairman Shuster, Chairman Gibbs, Ranking Member Bishop, and members of the subcommittee. Thank you for the opportunity to testify before you today.

As chairman of Campbell Transportation Company, I am also on the Executive Committee of Waterways Council, the national public policy organization that advocates in support of a modern, well-maintained system of inland waterways and ports. Our diverse members include waterways carriers, shippers, agricultural interests, port authorities, trade unions, shipping associations, and waterways advocacy groups from all regions of the country.

It has now been almost 6 years since the most recent Water Resource Development Act became law. Important water resource policy decisions are pending before this Congress, and none is more important in Waterways Council's view than the need to redesign the way the U.S. Army Corps of Engineers manages the planning and construction of lock and dam modernization projects on the inland waterway system.

More than half of the system that is operated by the Army Corps of Engineers is now more than 50 years old. These locks and dams require constant attention and financial support both in terms of operations and maintenance funding to keep them reliably available to users throughout the year, as well as modernization fund-

ing to improve the systems' efficiency and add to the Nation's economic well-being.

The starting point for consideration of the financing and management challenge facing the inland waterways system must be recognition that the current business model for modernizing the Nation's locks and dams is seriously broken and must be reformed. The Panamanians are able to build the new $5.25 billion locks for the Panama Canal on time and on budget. Conversely, as a Nation we in the United States seem to have lost the ability we once had to plan and construct individual inland waterways capital projects in a timely and cost efficient fashion.

My written statement goes into some detail on this point, but I will just highlight one example here, the Olmsted Lock and Dam. Initial construction funding was provided by Congress in fiscal year 1991 for this Ohio River lock and dam replacement project that had been authorized by Congress 3 years earlier in WRDA 1988 at an estimated cost of $775 million.

Today, 22 years after that first appropriation for construction and with $1.5 billion already spent, the project is nowhere near completion, and its estimated cost has almost quadrupled to at least $3.1 billion. Even if the project continues to receive every year full and efficient funding, the Corps has estimated that Olmsted's construction will not be completed until late 2024, more than 33 years after the project's first construction appropriation.

Mr. Chairman, I cannot say it better than last year's testimony of my inland waterways colleague, Mark Knoy. Where is the outrage? Where is the recognition that this great Nation cannot continue to sit idly by while the Olmsted travesty essentially stops progress on the rest of the national inland waterways modernization program for more than another decade? And Olmsted is not the only example.

There is a solution to this challenge, Mr. Chairman, that WCI and more than 200 organizations nationwide believe will set the country on a course of prudent modernization of our locks and dams. That solution, known as the Capital Development Plan for short, was developed by a team comprised of experts from within the Corps and senior leaders of the inland waterways industry who spent nearly a year and a half assessing this challenge.

During this Congress, the Capital Development Plan has been converted into legislation and introduced by Congressmen Ed Whitfield and Dan Lipinski. H.R. 1149, known as the WAVE4 Act of 2013, now has 14 bipartisan co-sponsors in the House of Representatives, four more than indicated in the written statement as a result of additions last week.

We thank the WAVE4 co-sponsors for their leadership and urge the members of this committee and the entire U.S. House of Representatives to support moving the Capital Development Plan forward in the WRDA legislation that you are developing.

Mr. Chairman, suppose we continue to pretend that our locks and dams do not need to be cared for, that it does not matter how long it takes to build a new lock and dam project or how much it costs, or that our national economy does not really need the increased efficiencies that modernized projects will generate. Does any of that matter?

Two recent studies remind us once again that it matters a great deal. Six months ago, the American Society of Civil Engineers released a new report on our national ports and waterways infrastructure. The ASCE "Failure to Act" report identifies a severe investment gap totaling $16 billion between now and 2020.

Another report on the cost of inland waterways project delays was prepared for the National Waterways Foundation by HDR/Decision Economics. The HDR report concluded that continuation of the current inadequate $170 million per year investment for inland waterways modernization projects nationwide would result in a societal cost of $34 billion, much of which has already been lost.

We cannot continue to pretend that neglecting this problem is an acceptable approach. We need the Capital Development Plan now.

Mr. Chairman, my written statement poses three questions that we should all consider as you develop this year's WRDA. In the meantime I am pleased to respond to any questions that you or the subcommittee may have.

Thank you.

Mr. GIBBS. Thank you.

Mr. Ojard, welcome. The floor is yours.

Mr. OJARD. Chairman Shuster, Chairman Gibbs and Ranking Member, Representative Bishop, and members of the committee, I want to thank you for the opportunity to provide testimony to the Water Resources and Environment Subcommittee on the foundations for a new Water Resources Development Act.

I am Adolph Ojard, executive director of the Duluth Seaway Port Authority. I appear here today as the U.S. delegation chair of the American Association of Port Authorities, which represents public port authorities throughout the Western Hemisphere. My testimony today is on behalf of AAPA's U.S. public port members.

We appreciate the committee's leadership in pursuing WRDA as this is legislation critical to the health of the port industry. AAPA believes that WRDA should address three key areas that would result in real benefits for the Nation.

First is fixing the harbor maintenance tax to ensure that these revenues are fully used each year.

Second, the need to make the Corps of Engineers study and construction process more efficient so we can meet the demands for channel modernization in the future.

And, third, to get projects authorized and constructed to maintain the Nation's competitive advantage in transportation cost savings, resulting in jobs and economic vitality here at home.

WRDA established the harbor maintenance tax in 1986 to fund Federal deep draft channel navigation operation and maintenance. Through the early 1990s the revenues were roughly equal to expenses, but there has been a growing imbalance between revenues and appropriations with just over half currently being spent for its intended purposes. More than $1.6 billion in revenue was collected in fiscal year 2012, and the surplus in the Harbor Maintenance Trust Fund has grown to more than $7 billion.

The low appropriations have resulted in an undermaintained system with channels that are not being maintained to their constructed depths and widths despite adequate taxes being collected, resulting in safety risks of groundings and cargo spills, as well as

economic risk of light-loading ships which increase transportation costs and impact the competitiveness of U.S. exports in the global marketplace and the cost of imported goods to the U.S. consumer and manufacturers.

Ports and Federal Government must maintain existing infrastructure while preparing for the reality of larger ships. U.S. public ports and their private sector partners are doing their part, investing more than $46 billion over the next 5 years. However, increasingly we find that our Federal partner is not upholding its part of the bargain in funding channel maintenance and improvement projects. As a result, this negatively impacts jobs, economic growth, and U.S. competitiveness.

The American Society of Civil Engineers did a report entitled "Failure to Act" and in that report concluded that aging infrastructure threatens more than 1 million U.S. jobs.

AAPA has been actively preparing for the next WRDA bill to address the investment and process changes needed to keep the U.S. maritime infrastructure world class. Those issues needing legislation have been identified by AAPA and our recommendations are described in my formal testimony.

AAPA recently convened a task force to develop a set of guiding principles in regard to the harbor maintenance tax and water-side port modernization. We urge the committee to consider these six principles when drafting legislation.

First and foremost, AAPA advocates for the full use of HMT revenues.

Number two, funding from HMT revenues first should be used for historical intended purposes.

Thirdly, AAPA is supportive of more equity to donor ports.

U.S. tax policy should not disadvantage U.S. ports and maritime cargo.

The U.S. must have a process to efficiently study and to construct deep draft projects.

And lastly, the cost sharing formula for maintenance and deepening should reflect the current cargo fleet.

MAP–21 included a sense of Congress in an attempt to address principle one above, but as we saw in last week's release of the President's budget, the administration did not follow the recommendation and did not include full use of HMT revenues. WRDA is the next avenue to resolve this problem and ensure full use permanently.

WRDA is also an opportunity to speed up the planning and project development process to allow our Nation to move quickly to address the needs of the future. AAPA has developed a specific list of policy and efficiency measures we believe need to be enacted to enhance the Nation's international competitiveness and these are included in my written statement.

We commend the committee's leadership for recognizing the nexus between water resource development and economic prosperity. Federal investments in port-related infrastructure are an essential, effective utilization of limited resources and paying dividends through increased trade and international competitiveness, sustainable job creation, and understanding that more than $200

billion annually in local, State and Federal revenues are collected from these projects.

We urge you to develop and pass a WRDA bill at the earliest possible time.

Thank you.

Mr. GIBBS. Thank you.

Dr. Gobler, welcome.

Mr. GOBLER. Thank you.

Mr. Chairman, members of the subcommittee, my name is Christopher Gobler. I am a professor within the School of Marine and Atmospheric Sciences at Stony Brook University of New York, where I am director of academic programs on the Southampton campus and director of the Shinnecock Bay Restoration Program.

I have been actively involved in marine ecosystem research for more than two decades. I am here today to provide perspective regarding aspects of the Water Resources Development Act that deal with ecosystem restoration. These are projects that seek to protect and enhance a critical national resource, our coastal bays, estuaries and waterways.

These regions support more than 69 million jobs, generate half of the Nation's gross domestic product, protect almost $2 trillion in annual trade, and provide more than $200 billion annually in leisure and hospitality jobs.

Unfortunately, during the past half century many of the Nation's coastal zones have experienced depletion of fisheries and losses of key habitats that have, in turn, had severe negative consequences for coastal ecosystems and economies. In such regions, projects that restore coastal habitats and fisheries are needed to help estuaries remain healthy, functioning, and to build coastal economies.

I will first address the issue of shoreline protection and flood damage reduction specifically as it relates to Hurricane Sandy. The shorelines of New York and New Jersey were devastated by Hurricane Sandy, and many communities have been changed forever. One important lesson learned from the storm is the identification of the types of oceanfront environments that were most resilient to storm surge. In their natural state, barrier islands that are lined with well vegetated dunes on their ocean sides and comprised of intact salt marshes on their bay sides provide protection against storm surge. As such, these barrier islands provide erosion protection from breaking ocean waves as well as protection from bay flooding.

During Hurricane Sandy, oceanfront communities that constructed artificial or hardened structures, such as boardwalks, hotels and other buildings, directly on the ocean without a natural dune-marsh system experienced catastrophic losses.

In contrast, communities with natural or augmented dune-marsh systems fared well. For example, communities on Long Island South Shore that had the strongest and most intact dune-marsh barrier islands system, specifically Shinnecock Bay, was the only bay not breached by the ocean storm and experienced only minor damage compared to other regions in New York and New Jersey.

Closer to New York City, regions with dunes, such as Point Lookout and Lido Beach, fared significantly better during Sandy than

the adjacent Long Beach community which had no dunes and was devastated.

While this was the Sandy experience, I emphasize today that 75 percent of the U.S. east and gulf coasts are lined with barrier islands quite similar to the ones that I just described. Therefore, ecosystem restoration projects that seek to enhance, reestablish, and rebuild ocean dunes and salt marshes may be some of the best preventative and cost effective measures to protect U.S. coastal communities, particularly in the face of storms and sea level rise that will only intensify with climate change this century.

Next I will emphasize coastal ecosystem restoration projects that seek to enhance water quality and fisheries. During the past half century many coastal zones have suffered the dual assault of overfishing, of key bivalve species, and the overloading of nutrients emanating from urban centers and agriculture. These processes have led to the initiation of harmful algal blooms, the loss of key marine habitats and diminished fisheries.

Recognizing these trends, efforts have been made nationally to stem the flow of nutrients into coastal waters. In addition, ecosystem restoration projects are restocking bivalves and planting habitats, such as sea grasses and salt marshes.

As Director of the Shinnecock Bay Ecosystem Restoration Project, my team is restocking and rebuilding shellfish populations. These populations will filter bay waters and, in turn, keep algal blooms in check. Concurrent efforts to rebuild sea grass communities will benefit shellfish populations as well as fish populations by providing key habitat.

Ultimately, these efforts will be of economic benefit for fisheries as they rebound and for tourism as it improves. While such ecosystem restoration efforts have not traditionally been included within the Water Resources Development Act, I believe they warrant consideration in the future.

In light of all this information, passage of a new Water Resources Development Act with specific authorization to restore critical coastline dunes and wetland systems would be of great benefit to the Nation. While the Hurricane Sandy supplemental bill will help address some ecosystem restoration projects in New York and New Jersey, the restoration needs across the Nation are great. There are presently over a dozen environmental restoration projects that have completed Chief Engineer reports and are ready to be authorized, funded, and constructed.

Executing these projects will provide protection of our coastal communities and environments while providing jobs and multifunction opportunities for better management of our water resources.

I thank you for your attention, and I look forward to your questions.

Mr. GIBBS. I thank you, Doctor.

Ms. Larson, the floor is yours. Welcome.

Ms. LARSON. Thank you.

Chairman Shuster, Chairman Gibbs, can you hear me, first of all? I am a little bit away from the table. OK. And Ranking Member Bishop, thank you for the opportunity to be here today to discuss the foundations for a new Water Resources Development Act.

My name is Amy Larson, and I am the president of the National Waterways Conference. The Conference would like to thank this committee for its long tradition of cooperation and collaboration in addressing the Nation's critical water resources needs.

As the Congress considers comprehensive water resources legislation, the Nation is at a crossroads on the issues of how to both authorize and fund critical water resources projects. Much attention has been given in the past few years to the use of congressionally directed spending or earmarks for all Federal spending decisions. Efforts in Congress to eliminate wasteful spending are laudable, and especially important given today's fiscal challenges and necessary to maintain the public trust.

However, deferring all decisions to the executive branch, particularly as they relate to water resources projects, represents a fundamental change to the way this country has established its priorities. This self-imposed limit on project-specific directives and funding levels represents fundamental abdication of Congress' constitutional role. Such action has resulted in the stoppage, interruption and delay of critical projects.

The administration's priorities, as reflected in the budget, have seldom been set through an open, deliberative process as have those that have withstood the heavy scrutiny of the congressional committee system. Permanently adopting in a WRDA such a system would result in centralizing all water resources decision-making, excluding the input of both stakeholders and their elected officials from the process of establishing Federal priorities. Such a system would undermine the very foundation and integrity of the Nation's Civil Works program.

As the Congress grapples with significant fiscal challenges, including how to avoid the earmark abuses of the past and ensure that such decisions are made with the benefit of full sunshine, we would respectfully suggest that this committee by means of its open and deliberative process and whose members have the benefit of first-hand knowledge of the importance of particular projects to their States is the appropriate forum in which to make these major investment decisions, and we encourage the Congress to reconsider how this country invests in the Nation's water resources infrastructure.

You have just heard from my colleague at the Waterways Council about the importance of inland waterways and their role as the backbone of the Nation's transportation system, ensuring domestic and international trade opportunities and low-cost, environmentally sound movement of goods.

To that end, we generally support the proposed reforms to the project delivery process applicable to construction and major rehab of the Nation's aging locks and dams based upon the Capital Development Plan.

Integral to the project delivery reforms is the need to ensure sufficient funding for these important projects, and as efforts continue to enact a long-term funding solution, it is important for the inland waterways to function as an integrated system. Efforts to prioritize funding and raise revenue must not disrupt the proper functioning of the system as a whole.

Similarly, the Nation's ports and harbors are critical components of our transportation infrastructure, and regular maintenance is required to ensure their efficient use. We strongly support legislation that would ensure that the revenues collected into the Harbor Maintenance Trust Fund are used for their intended purposes.

Turning now to levee safety, we support the establishment of a comprehensive levee safety program and as a starting point for discussion refer to the draft recommendations made to Congress by the National Committee on Levee Safety. And a critical first step to the establishment of such a program is the one-time inventory and inspection of all known levees across the United States, including the non-Federal program levees. This baseline information should be maintained in the expanded national levee database in order to determine the critical safety issues, the true cost of good levee stewardship, and the state of individual levees so that we can inform our priorities and provide data for much needed decision-making.

A levee safety program should at its threshold provide for clarification of Federal and non-Federal roles, recognizing the Corps of Engineers project involvement is driven by national economic benefits and State, regional and local authorities maintain plenary responsibility for life safety, landside risk reduction measures, including evacuation, land use practices, building codes, and risk communication.

A levee safety program must not impose top-down Federal mandates, but instead recognize that States and local governments and Indian tribes are uniquely positioned to oversee, coordinate, and regulate local and regional level systems.

Turning to policy reforms in the few seconds remaining, WRDA provides numerous opportunities to reform and update various policies, accelerate planning and project delivery and enhance the role of non-Federal sponsors. While more attention tends to be on waterways and levee issues, this is also an opportunity to enhance hydropower productivity and address critical reservoir management challenges.

As described in my written testimony, the planning process is extraordinarily rigorous and thorough, but it has become overly burdensome, resulting in it becoming impractical.

And I see that my time is up. I go into much more detail on reforms to the planning process in my written testimony, and I am happy to answer questions on that.

Thank you.

Mr. GIBBS. Thank you.

I will yield myself time to start the first questions off, and to Mr. Ojard, you talked about the Harbor Maintenance Trust Fund. In the President's budget that he submitted to Congress here just last week, the President has talked about the need to increase exports, which I totally agree with, to grow our economy. You may not know this, but it has been estimated by the administration that we will collect over $1.8 billion in the Harbor Maintenance Trust Fund this year, but he is only requesting $834 million for operation and maintenance of these navigation channels, leaving an estimated balance of almost $9 billion dollars at the end of fiscal year 2014.

As we all know, an inch of depth per ship—I have heard the numbers, and you might be able to tell us the numbers again—but, you know, it seems like there is a disconnect of what the reality is, what the administration says that we need to do, but why are we not appropriating more money of that $1.8 billion?

Mr. OJARD. I wish I could get into the President's mind and give you a direct answer, but the fact of the matter is the maritime industry does support thousands and thousands of jobs, and your comment about the inch of depth and in Panamax size ships, that is 270 tons of cargo, and that is significant in all of our ports and all of our coastal waterways. Draft equals efficiency, and the efficiency of our channels and the depth and width improves safety. It lowers cost of the transportation. It makes our goods more economical as we move them to export markets overseas.

I firmly believe that the investment in infrastructure for channels, for harbors has a huge multiple impact on our Nation, our Nation's economy, and the backlog that we currently see is only growing, and I would hope that your committee can deal with that issue in the full use spending as we move forward in the development of the WRDA Act.

Mr. GIBBS. Thank you.

I want to move on on the flood control, Mr. Williams. Everybody has mentioned Hurricane Sandy and the relief aid. You know, one of the issues we have had and, you know, we are working to do a lot of policy reforms because, you know, I am just really outraged at the years it takes to get these projects done right. We all are, and the cost there incurred.

My understanding on the emergency supplemental for Hurricane Sandy relief, a lot of things were authorized without studies. Can you give us an update how things are progressing and, you know, what the impact is by not doing some of the studies or what has happened in that area of flood control on the east coast?

Mr. WILLIAMS. No, sir, not specifically the east coast. I am afraid I would just be guessing. I can talk about it nationally, but I think that is typical of what is happening on the east coast.

Levees specifically we have talked about the need for funding those upfront. It is really a matter of pay me now or pay me later. And this country has been in a reactionary environment for a long time, and I think we are finding out that it is not just pay me now or pay me later, but it is pay me now or pay a lot more later.

I think investment in the Corps projects through Water Resources Development Act is a wise investment. It does save money in the end. I think that is true with Sandy. I think it is true with Katrina.

Mr. GIBBS. Mr. Simmons, since you represent your association, any observations on what has happened on Hurricane Sandy relief without all of the studies?

Mr. SIMMONS. Well, clearly, they are moving a lot faster on Hurricane Sandy relief than they have been able to move on other projects, and the reason I am not entirely clear on, because it should seem that one could move just about as quickly on any project as they are moving on those.

Much of the Hurricane Sandy work is rebuilding things that have been studied and approved in the past. So those we certainly

understand how they can move more quickly, but there are some areas that are getting help that weren't studied before, and I think those of us, like my community, that are 14 years into a study are wondering how in the world that can happen.

Mr. GIBBS. OK. Just kind of on that tangent, Dr. Gobler, what can Congress do on these water resource development projects without triggering multiple lawsuits?

You know, it seems like a lot of the delays are because of litigation. You know, it halts job creation. Do you have any recommendation of what we could do to maybe stop some of this litigation or prevent it from happening?

Mr. GOBLER. I do not have specific insight on litigation, but just following up on what was just discussed, I will just briefly say that I do know the New York Division of the Army Corps carefully looks at the entire ecosystem there and has had projects that maybe had not been advanced to Chief Engineer reports. They have considered in the event of a storm like this what could be done, and so some of what is being done has not gone through the full process, but are things that they have considered and measures that they are considering in a holistic fashion that they believe will be both repairing what has already been done, but also preventing future losses on the coastlines.

Mr. GIBBS. So you think that there have been appropriate studies done previously to some of this for some of these projects?

Mr. GOBLER. Yes. This division of the Army Corps of Engineers is specifically located in New York. They know the coastline, for example, the South Shore, Long Island, very, very well. They have people there who have been working on it for decades. They know the particular ecosystems, and they specifically had projects that they had already planned out. So they had not gone through the whole process, obviously, to get a full engineer's report, but because that particular division knows that coastline well, they have a good sense of what is going to be needed to enhance and protect shorelines.

Mr. GIBBS. So we have got a little common sense going on here maybe.

Mr. GOBLER. Perhaps so, yes. Perhaps a decade is not needed to plan all of these things out, you know.

Mr. GIBBS. That is my point. Thank you.

And I will yield to Mr. Bishop.

Mr. BISHOP. Thank you, Mr. Chairman.

I thank the panel for your testimony. It was very helpful.

I want to just talk for a minute about the Harbor Maintenance Trust Fund and its linkage to the Inland Waterways Trust Fund and, in fact, its linkage to the larger problem that we have of we have or are at least allocating insufficient resources to deal with our needs.

Every one of you has made the case that we need to invest more, whether it is shoreline protection, ecosystem restoration, habitat restoration, inland waterways, locks and dams, harbor maintenance. You have all made the case. You are all right. We do.

But the Harbor Maintenance Trust Fund is an example of the problem that we have. It was established in 1986. No President has ever requested that Congress spend the full amount of the annual

proceeds. It is why we have an accumulated balance in the trust fund.

If this President—and, by the way, I am disappointed in the President's request with respect to the Harbor Maintenance Trust Fund—but if this President were to ask us to spend fully the $1.8 billion that is going to come in this year, as opposed to the $800 million that he is requesting, that is a billion dollars of additional expenditure that would either require that we spend a billion dollars less either elsewhere in the Army Corps of Engineers budget or somewhere else within our $3.7 trillion worth of expenditures or we would have to increase what we call, pardon the jargon, the 302(b) allocation for the Army Corps.

Now, the Army Corps budget has just taken a 5-percent cut as a result of sequestration. I believe the President's request for Army Corps expenditures is a reduction of 4.3 percent; is that right?

So, sure, let's spend the Harbor Maintenance Trust Fund. I think every person on this committee would agree we should. What will we not spend?

And so I know there is a proposal from the inland waterways users to take Olmsted offline, take Olmsted out of the trust fund and put it onto general fund budget. OK. So that is $80 million, and we will spend a billion more on harbor maintenance issues. What is left for shoreline preservation if it all comes out of the hide of the Army Corps?

So we can push around numbers, but all we are doing is pushing around a problem unless we make the very hard decision to say that, yes, we all agree we need to do these things, but it is going to cost us money to do them. Because I am willing to bet, Mr. Simmons, you are not going to say, "You know what? Fine. Spend it all on dredging harbors. We will let the beaches take care of themselves." Right? Probably not?

Mr. SIMMONS. If you put a lot of that sand on beaches we might be able to talk about it.

[Laughter.]

Mr. BISHOP. There you go.

But you see the point I am making, and so one of the things that we are going to have to grapple with as we do WRDA is what is the appropriate level of investment that we as a Congress believe is required to protect our beaches, to see to it that our inland highway system functions at the highest possible level, to see to it that our ports are Panamax ready, and so on. That is the challenge.

So with that, and I apologize for being so wordy, but, Mr. Simmons, you made the point in your testimony that shoreline protection is about resiliency and it is about sustainability.

And, Professor Gobler, you made a similar point. Can you expand on how shoreline protection has the dual purpose of both stabilization of the shoreline, but also deals with the issues of sustainability?

Mr. GOBLER. Sure. Specifically speaking of Long Island, I mean, you know, if you have a properly built dune system that has, as I mentioned in my introduction, both a dune in the front but actually, importantly not also included, a salt marsh in the back, that is its natural state. The dune protects from the breaking ocean waves. The salt marsh in the back protects from flooding, and all

across the South Shore of Long Island there were dozens and dozens of communities that now are looking at abandoning their homes because of flooding, and in some cases if there were both the oceanfront protection but also those salt marshes in the back, there is a chance that those communities would not be considering abandoning their homes.

And going forward, this is going to be more and more important. We know that sea level is rising. It has been rising. It is going to continue to rise. We know the rate at which that is happening. So it is more important than ever as we move forward that we have, like I said, both the dunes and the marshes because that is what is going to make these sorts of situations sustainable going forward.

Mr. BISHOP. Thank you.

I am almost out of time. So I will wait for the second round. Thank you, Mr. Chairman.

Mr. GIBBS. Chairman Shuster.

Mr. SHUSTER. Thank you, Mr. Chairman.

Thank all of you for being here today. I appreciate it.

And, Ms. Larson, my first question is to you. I have been asking you a lot of questions lately, and you have given more answers. So I appreciate you being here today.

In your testimony you warned Congress not to put the 3×3×3 study program into law. While some limitations should be placed on studies, in particular, on duration and cost, can you give the committee your reasons why there are studies that exceed $3 million in 3 years?

Ms. LARSON. Thank you for the question, Chairman Shuster.

The Corps planning process is very thorough and very extensive, and the six steps are laid out in my testimony. And it has grown to be overly burdensome, and so now it is really impracticable.

And to the Corps credit, it has implemented its 3×3×3 plan, but a lot of the requirements in the planning process are legislative mandates. So simply imposing a timeframe without addressing all of those legislative mandates will not result in a successful 3-year program.

So I think if a 3×3×3 mandate will be part of WRDA, it needs to be coupled with a fundamental review and overhaul of the entire planning process. That includes a lot of the streamlining provisions that are in the Senate bill, sections 2032 and 2033, as well as some other requirements and enhancements.

But simply requiring the Corps to look at the same number of alternatives, adhere to the same other requirements and processes, and saying, "But now do it in 3 years with no more money," will not result in a successful program. So it needs to be part of the entire overhaul of the system.

Mr. SHUSTER. Well, as part of that overhaul, you know, getting the Congress back to regular order and the challenges we face with the moratorium we have put in place, in the past in something like this if the Corps came to the Congress, as they should under our constitutional authority, and asked us to do a survey resolution, that would be a way to overcome that, but do you agree with that?

Ms. LARSON. I do. I do, and I think that is just one component of the process.

Mr. SHUSTER. Right. But I also believe that we need to put some kind of time constraints on these studies because there are projects. The Upper Mississippi Valley took 15 years at $75 million to do, and there was not one ounce of concrete poured for that project.

So I am leaning toward the 3×3×3 program, but again, Congress needs to make sure it maintains its authority to be able to adjust a project when the Corps comes back and says it is going to take longer or we need a little more money.

Ms. LARSON. As we have seen, when projects are fully funded or they have a steady funding stream, they tend to be completed more expeditiously and more efficiently. So mindful of the fiscal constraints that are facing the Nation and particularly applicable to the entire Civil Works program and water resources infrastructure, we need to find a way to prioritize that so that those priority studies are completed.

You know, last year the President implemented his "We Can't Wait" initiative and touted the Port of Savannah, one of our members. But this year's budget includes no funding for Savannah and no increase of the 902 level. So I am not entirely sure what we cannot wait for.

But those are the kinds of priorities that the Congress needs to be back engaged in.

Mr. SHUSTER. Thank you, Ms. Larson.

Ms. LARSON. Thank you.

Mr. SHUSTER. Mr. Stephaich, thank you for being here today. I appreciate your work on the Mon River Valley, which runs through my district, and thanks for helping to educate me on the whole waterway system.

The President has proposed in his fiscal year 2014 budget language to charge vessels a fee for using the waterway system. I know that you folks support raising the diesel fuel user fee from 20 cents a gallon to 26 cents a gallon. Can you tell us what is the difference and why you oppose the vessel fee versus why you support raising that user fee from 20 to 26 cents?

Mr. STEPHAICH. Sure, Mr. Chairman. The President's budget contains the vessel fee which, frankly, we are not really very clear on in terms of how that would work.

We believe increasing our user fee, which is a diesel fee on the number of gallons that we burn throughout the system, is a much more equitable way of allocating the burden of this extra cost to the full waterways and the users of the waterways. We view the Nation's inland waterways to operate as a system and not just as a regional matter.

Obviously in the upper ends of the river, like in the Pittsburgh area, we have a lot more locks and dams due to the geography, and so that is one reason why we would propose to see a diesel fuel increase happen.

Mr. SHUSTER. And is it more transparent using a pay at the pump than it is using a fee?

It sounds like you are not sure.

Mr. STEPHAICH. Once again, we do not know what the administration's fee proposal really is. If it is a lockage fee, then obviously we are disadvantaged in the Pittsburgh area.

Mr. SHUSTER. Right.

Mr. STEPHAICH. There is currently a mechanism in place to collect the current 20 cents a gallon, which, you know, all of the users have been using for a number of years.

Mr. SHUSTER. And if the chairman will indulge me for just 20 more seconds, is it difficult to pass on that 20 cents? Because you are shipping a lot of commodities, is that difficult to pass that on to the end user and instead it stays back home with the shipper?

Mr. STEPHAICH. Well, it depends on the commercial contracts with our customers, but most of us, I believe, have clauses that will permit us to pass through that type of a fee to our customers, which would be the big utilities, the steel companies and so forth. So the issue is: will we be competitive as a mode of transportation? You know, at what point do we start losing cargo and losing volume to alternative modes? Because sometimes we will lose a contract over a few pennies a ton.

Mr. SHUSTER. Thank you very much.

Mr. GIBBS. Thank you.

Ms. Edwards.

Ms. EDWARDS. Thank you, Mr. Chairman. And thank you to our witnesses.

I just have a couple of questions. I do feel like, you know, when the conversation shifts to what we did with Hurricane Sandy and Hurricane Katrina, you know, we have to be really careful about that because in all instances, I think, with Hurricane Katrina we waived match requirements and other things in order to expedite the movement on those projects and, similarly with Hurricane Sandy, there were some waivers for the new activity even though the match was still required for the local projects. But still that money was, you know, front-loaded, and that is not the case for the overwhelming majority of the projects that the Corps has in place and that are needed in our water systems.

And I think the President is sort of damned if he does and damned if he does not. I mean, you know, if he proposes, as Mr. Bishop has said, you know, the full amount in the Harbor Maintenance Trust, then that money has to come from someplace, and then he will be beaten up in the Congress for having proposed what might even be considered, you know, extraordinary spending.

So while we all, I think, agree that this work needs to take place, I mean, there are deep divisions about how it needs to be funded. I, on the other hand, think that the more we fund these kind of heavy infrastructure projects, then the more jobs we create, the more taxes people pay, and it just sort of creates an environment for real economic gain and competitiveness.

So I do, indeed, look at these projects as investments. Nonetheless, we are here in a bind facing, you know, a 5-percent cut in a sequester, a lower budget, but still with the expectation that we get a lot of work done.

I am a little bit curious about a couple of things in looking at costs. Dr. Gobler, you testified and highlighted the fact in your testimony that there are areas where there was significant natural barriers that actually provided the kind of protection to the coastline that were not found in areas that were overdeveloped and overprotected. And I wonder if you have some ideas about how the

Corps spends its resources on projects that could involve natural protection versus the concrete and cement that we are so familiar with, and whether there needs to be a shift in balance as we are thinking about how we deal with these rising sea levels.

Mr. GOBLER. Yes, that was one of the overwhelming lessons learned, is that the regions that had an oceanfront with a natural dune and not a hardened structure were the ones that did the best, and I think that at least in New York, the regional office of the Corps of Engineers recognizes that, and as they seek to rebuild from Sandy, wherever possible they are seeking to lead with that approach.

And I think that has been the lesson learned through the decades, that hardened structures on the shorefront that are put in even if they help the region directly in front of, say, the ocean where they are protecting, someone downstream will be negatively impacted by something like that.

Ms. EDWARDS. And they are lower cost; is that not correct, to do sort of natural protection versus the hardened shoreline?

Mr. GOBLER. That is right, and just as a quick parallel, if you go over to Holland, for example, they build up tremendous dunes. There is a country where most of the land is actually underwater. So they know all about dealing with sea level rise, and one of the best ways they deal with that is to just build tremendous dunes.

You know, people do not get necessarily to see that oceanfront view that they want, but they have the protection, and I think that is a lesson that we should take to heart and, I think, needs to be seriously considered going forward.

Ms. EDWARDS. Thank you.

And, Ms. Larson, in your testimony you pointed out the fact that we no longer have the ability as Members of Congress to do earmarks or congressionally directed projects and that it has been a more complicated process because of that. So I wonder if you have some ideas about ways in which we might restore the ability of Congress to have an impact on making some decisions about projects, but at the same time protect against the kind of abuses, even though I do not think that they were substantial abuses when you consider the number of projects, but still protect against the abuses to protect taxpayers.

Ms. LARSON. Thank you for the question.

I think it is important to note as we start out that the focus on earmarks up to now has been on funding for already authorized projects, but what WRDA contemplates is applying that requirement permanently in law to all project decisions, including whether to start a feasibility study, and I think those decisions are best made at the local level.

Those projects start, you know, whether it is the town council or the local governing board, to address a particular problem, and it is critical that the local stakeholders maintain that voice.

So mindful of not wanting to go back to old abuses to the extent that they were, I think this committee had done a very good job of requiring transparency and openness. So that process, I think, can be tweaked to make it more open with more sunshine, even though I think it was pretty good anyway.

But I also think that there can be an opportunity for States, local communities, local governing boards—maybe they are levee boards or water supply districts—to have the opportunity to come to Congress and make their interests and needs known as well because they are being lost here in this transition. If they have to go only through OMB, I fear and as I have heard from many of our members, their voices are not being heard. So they need to have that openness as well.

Mr. GIBBS. Thank you.

Mr. Hanna. He just stepped out? OK. Mr. Ribble.

Mr. RIBBLE. Thank you, Mr. Chairman.

I appreciate the entire panel being here. This has been really helpful for me.

I do have some concerns. I am relatively new to this job. I have been here 2 years. One of the things that concerns me is the amount of time it takes for the Federal Government to get almost anything done. I know it is kind of in vogue to bash the Government for the work they do, but there are some things that they do really well and other things not so well, but one of the things I am concerned about is how long it takes to do infrastructure projects.

We addressed some of that in MAP–21 last year in the highway bill. I was wondering, Mr. Stephaich, if I could ask you a question. Why is it that Panama will likely take less than a decade from conception to completion on the canal expansion project while in some instances it takes the United States nearly twice as long just to complete a study to determine the feasibility of carrying out a project?

Mr. STEPHAICH. That is an excellent question. I am not familiar with all the details on the Panamanian side, but obviously it is a major project for a relatively small country and has the full focus and support of that nation.

On the domestic side, we have seen the delays due to a number of reasons, anything from experimental technology, the types of construction methodologies that have been used in the Olmsted case to insufficient and funding flows that have been turned on and off, to managing contracts where there are multiple contracts in a very small area, to lawsuits. It is a very broad range of reasons, but I wish I had a good answer for you.

Mr. RIBBLE. Well, if you could make one recommendation to speed things up, what would it be?

Mr. STEPHAICH. Probably the single biggest element, I think, of our delays is the single year funding, that we have to go back and get appropriations year to year.

Mr. RIBBLE. So to have multiple——

Mr. STEPHAICH. If we could have a multiple year, these are 10-, 15-, 20-year projects. I always use the analogy. It is like building your house if you were to go out and raise the money and have a contract, you know, one for the kitchen, one for the roof, one for the walls, one for the garage. You would never get your house built.

So for the Corps to be able to have efficient funding over multiple years would be probably the single biggest improvement.

Mr. RIBBLE. Thank you very much.

Mayor Simmons, I was wondering if maybe I could ask you a question. There is a lot of discussion regarding hurricane impact on coastal towns and villages, whether it was Katrina, Sandy, and the dozens of hurricanes and maybe hundreds of hurricanes that we have had over the course of our history, and my question is kind of directed more toward the issue of moral hazard.

There have been many citizens that might say, "Is it not an unfair transfer of wealth from poor agrarian communities in the central part of the United States to just basically prop up rich people living on beaches someplace in Caswell Beach, North Carolina?"

And I am wondering how you would address the issue of moral hazard and where people live and whether or not it is the appropriate role of the Federal Government to do repairs after storms along beach ways.

Mr. SIMMONS. Have you got an hour or two? We can really go here.

Mr. RIBBLE. Try to do that in a minute, 38, but I am sure the chairman will give you a few seconds extra.

Mr. SIMMONS. First of all, I want to point out that the properties in my little 3-mile-long beach town in North Carolina are owned by folks from 28 different States. So it is not just a bunch of wealthy North Carolinians who live at the beach.

Most of the structures there, especially the oceanfront ones, are rental properties that are used by the folks who come to visit with us from Michigan and Ohio and Pennsylvania and Virginia and also North Carolina.

Therefore, those structures provide jobs. They provide an economic impact on not only our county, our State and our region, but also to the Nation in terms of tax revenues that are generated by the rentals that go on in those facilities.

And I will tell you this without any hesitation: that the amount of money that is sent towards Washington from a coastal community like mine is a whole lot more than comes to my community from Washington or any other Government center.

Mr. RIBBLE. Thank you very much.

And with that I yield back.

Mr. CRAWFORD [presiding]. The gentleman yields back.

The chair recognizes Ms. Frankel for 5 minutes.

Ms. FRANKEL. Well, thank you.

I guess I am going to defend the beaches. I am from south Florida, the beautiful coastline from Fort Lauderdale past Palm Beach, and I really want to talk about the ports and the beaches.

Let me start with the beaches and just say that in my neck of the woods the beaches fund our schools and our firemen, our policemen. The tourism, lots of jobs, and so we have a lot of people who live inland and west, not on the coast, but they get jobs from protecting our beaches.

Mayor Simmons, you mentioned a concept of a regional approach to taking care of the coastline. I am specifically interested in that, especially with the beaches, and I wanted to understand what your concept is.

Mr. SIMMONS. Well, the whole idea of regional sediment management. You take, let's just say sand out of a navigation project that is of beach quality, and you put it on the beach instead of dumping

it offshore somewhere because it happens to, at that moment, be the least-cost way to do it. If the town that needs the sand then has to go back out to the ocean and get that sand and bring it back to the beach, that is an additional cost that is not considered in most cases when you are talking about a navigation project.

The Corps of Engineers, or actually WRDA 2007, created a mechanism for doing this sort of thing, but the Corps rules have made it somewhat difficult to really use, first of all, because they must be tied to a Federal navigation project. You cannot bring in additional sand that may be nearby to enhance what happens when you are able to put that navigation sand on a beach.

The total dollar limits are so low as to almost be useless, and the real big problem is that the system is hamstrung by the requirement that the Corps use the least-cost method, and not counting that loss of the value of the sand itself in that cost.

So I think there is room for this committee to make some changes to the WRDA action that was taken in 2007 to fix that if you are willing to do so, and we are certainly more than happy to help get into the weeds on it if you would like to do that.

Ms. FRANKEL. So you have language to suggest for us to do that?

Mr. SIMMONS. I do not know if I have it today, but I can find it for you pretty quickly.

Ms. FRANKEL. OK. This is for Dr. Gobler, and thank you, everybody, for your testimony today. I have a question for you and maybe Mayor Simmons may want to, you know, have a comment on this.

But what we are finding with our trying to do beach restoration is there are so many—and I want to say this diplomatically because I consider myself an environmentalist—but there are so many environmental hoops and so many different agencies, and basically it has come down to people versus turtles in southeast Florida. I tried only to be facetious about that, but I want to ask you.

Do you feel there is enough known or is there enough research being done so that we can restore our beaches and keep them sustainable and also, you know, take care of the ecosystem?

Mr. GOBLER. Well, as a scientist, I would say we could always do more research, but you know, I think certainly conservation of aquatic life needs to move forward in parallel with the conservation of aquatic ecosystems like beaches and dunes. To be honest, I am not thoroughly familiar with the plight of the turtles in south Florida, but certainly I think we can all see the value in certain cases of preserving habitat whenever possible while also preserving our beaches. But I cannot imagine that there may be onerous regulation in order to do that.

Mr. SIMMONS. Well, one of the biggest positive habitats for a turtle is the beach, and if the beach is not there, if the beach is not wide, if the beach is not sandy, where is Mama Turtle going to lay that nest? She is going to lay it somewhere where the waves are going to wash it away the next morning, the next high tide, or she is going to end up in a parking lot or down along the road somewhere.

I have actually seen a turtle put a nest in a gravel parking lot. They are pretty resilient creatures, but to suggest anything other than that a beach is a good habitat for a turtle, and it ought to

be restored, if for no other reason than to take care of the turtles, but to also take care of the endangered seabeach amaranth. I mean there are all kinds of reasons other than the fact that, you know, these beaches generate billions of dollars for the American economy and a lot of jobs.

I could go on and on.

Mr. CRAWFORD. The gentlelady's time has expired.

The gentleman from Kentucky is recognized for 5 minutes.

Mr. MASSIE. Mayor Simmons, I appreciate Caswell Beach. You left Kentucky off the list of people who like to visit there.

Mr. SIMMONS. They definitely come, yes, sir. We have seen a lot of you.

Mr. MASSIE. I have been to your beach. It is a wonderful area, and to Mr. Ribble's point, I think maybe he is just perhaps suggesting that maybe we could leave more of your money at Caswell Beach instead of bringing it to Washington, DC.

But to talk about something that clearly has a Federal nexus here, the inland waterways, there are 280 miles of the Ohio River in my district and three locks and dams, and not to be parochial about this because that waterway serves at least a dozen other States and serves as an economic engine, but we are the ones who see the waterways and see the locks and dams and are acutely aware of the economic impact when, for instance, the primary locks fail and the boats have to lock through a smaller lock, for instance.

Mr. Stephaich and Ms. Larson, could you speak to the economic impact or consequences if we do not update the 1950s locks and dams that we have on all of our rivers? What are some specific consequences that could occur if we fail to address the needs of those locks and dams?

Mr. Stephaich.

Mr. STEPHAICH. Thank you, Mr. Massie.

When we talk about our nightmare scenarios, it involves a catastrophic failure at one of these facilities as being probably the worst scenario, and depending on the nature of that catastrophic failure, it could take anywhere from months to potentially years to fix.

Unlike the roads, we have no alternative. We have no detours available to us so that what you are really doing is severing the artery and really bifurcating, cutting the system in two, which would obviously eliminate, you know, companies like ours that are in the barge business. It would not allow us to operate, but more importantly, all of the shippers and everyone that receives cargo up and down the system would be at a loss and would have to find alternative modes of transportation which would be at a very high cost, if available.

Mr. MASSIE. So what are some of the specific industries other than obviously the shipping industry; what are some of the specific industries that would be impacted?

Mr. STEPHAICH. Well, once again, it would depend on where that failure would occur, but everything from 60 percent of our grain exports going out on the Mississippi River system; petrochemicals; coal; everything from fuel oils, road salt, mulch for your yard. There is a whole series of scrap steel, iron ore. There are a lot of commodities that move on the river, and depending, once again,

where that failure would occur, it would affect those commodities that would transverse that particular area.

Mr. MASSIE. Ms. Larson.

Ms. LARSON. To compound that and the harm caused by such a catastrophic failure, there would be a significant ripple effect on this. Inland waterways cargo moves generally at a cost two to three times lower than other modes of transportation. So your transportation costs go up.

What happens to the crew on the barge that is no longer working anymore? What happens to the regional economies? This really would have a significant ripple effect.

There is data on what happened when the Lower Mississippi shut down for oil spills, and we can get you that information, but it is not limited just to the commodity, the value of that commodity, but it does ripple into the community as well.

Mr. MASSIE. So certainly, for instance, the power plants would be affected if they could not get the coal, and that would have a ripple effect on the economy.

Mayor Simmons, I wanted to address you again, and thank you very much for coming here today, and thank you for serving in local government. I really appreciate your commonsense idea. I think we need more common sense here in Washington, DC. It must be frustrating for you to see them dredge and dump sand in the ocean and then have to get a project going to pick up that sand again and bring it to your beaches.

Would you speak a little bit more about your idea?

Mr. SIMMONS. Well, I mean, there is a mechanism in place already to do this. It was in WRDA 2007. The regional sediment management plan allows for sand from navigation projects to go onto beaches. Talk about common sense, but then there is an issue of the ports and the channel folks being concerned that doing all of that might increase their cost or it might delay their projects that they also are very interested in seeing happen.

Some of the challenge is going to be coordination. How do we make the environmental stuff work in the context of trying to do both things at the same time?

In my neck of the woods, we are doing it right now. The village of Bald Head Island has got sand going on it from the Wilmington Harbor Channel as a part of a regional sand management plan that has been in place for over a decade. It is up for a revision in the near future and I hope we will be able to keep it working like it should.

Mr. MASSIE. Thank you very much.

My time has expired.

Mr. CRAWFORD. The gentleman's time has expired.

The chair recognizes Mrs. Napolitano for 5 minutes.

Mrs. NAPOLITANO. Thank you, Mr. Chairman.

A couple of things that have not been mentioned is that the budget for the Army Corps has been cut repeatedly. So for them to be able to do more with less is not necessarily the ideal situation.

Then the other area that you have kind of touched upon is that WRDA usually is a 6-year bill; am I correct? And we have been

doing it year to year. You cannot really bank on the funding to be able to carry out those projects.

So those are things that I have a great concern about. In my general area, in the Los Angeles area, out of the two ports, Long Beach and Los Angeles, they are designated as corridor of national significance. So it moves 40 to 50 percent of the Nation's goods through there for on-time delivery to the eastern seaboard and to the rest of the United States. Yet to put it more bluntly, Mr. Ojard, what would happen if your harbor received less than .1, not 1 percent, .1 percent of the funds the shippers in the harbor, your harbors, paid into the Harbor Maintenance Trust Fund?

Mr. OJARD. Well, for my harbor, it would be catastrophic. We are not blessed with a natural harbor that requires little, if any, dredging. So for those that are, we certainly appreciate and would welcome the opportunity to share in their good benefit, but within the AAPA we certainly recognize that we need to spend the monies from the Harbor Maintenance Trust Fund for their intended purpose and their historic purposes.

Mrs. NAPOLITANO. But equitably.

Mr. OJARD. Well, I realize that this is national program designed in 1986, and it was a program that the maritime industry supported wholeheartedly because it would take care of long-term infrastructure needs. And because we were not able to spend the money that we received, in other words, we thought we had a user fee and we thought we had a commitment here, and in reality the monies were not spent for their intended purpose.

Now, once those monies are spent, and certainly we recognize that donor ports have needs as well, as an organization we support those donor ports having some access to funds to deal with some of their in-water issues, such as contaminated soils, channels adjacent to their berths, et cetera. So there is a recognition nationally of the need to talk about some of those equities with the donor ports.

Mrs. NAPOLITANO. Well, I would hope so because it is very hard to hear some of they are not my constituents, but I am next door to them, talk about the need for them to be able to have the reliance of the amount to be able to get some of the dredging and other things that it was meant to do.

But when you have millions of dollars being paid in and you get maybe half a million dollars back, that is quite inequitable.

Then the ability to address the backlog, how do we do that? Can somebody tell me how do we begin to look at the backlog and say the priorities? Small harbors, big harbors, what would be the major way of looking at it to be able to help get this done, not only protect our commerce, but also for protection of the environment, et cetera?

Mr. OJARD. Well, with regards to the backlog, the Congressional Research Service asked the Corps of Engineers to look at that, and they came back with a number of approximately just under $10 billion over 5 years. We are collecting $1.6 to $1.8 billion currently, and certainly we could address that backlog in 6, 7 years' time.

The question then is the priorities, and there has been some talk about a congressional priority and basing that on a core issue of tons, in other words, high-use ports, lower use ports based on tonnage.

Tonnage does not give us value of a port, and I would have everyone really think about this because a ton is not a ton.

Mrs. NAPOLITANO. I understand, but my time is running out. Why do you not submit that for us for the record so that we all have that information in writing so when they look at the proposition of a bill we are able to take that into consideration?

Mr. OJARD. We would be glad to get back with you. I think it is an important item in terms of priority and the value of that regional asset because once that regional and local asset is lost because of inadequate dredging, it is lost forever.

Mrs. NAPOLITANO. Thank you very much. Thank you, all the witnesses.

Thank you, Mr. Chair.

Mr. CRAWFORD. The Member's time has expired. The chair recognizes himself for 5 minutes.

First I want to thank Chairman Gibbs for calling the hearing and also to Chairman Shuster for making reauthorization of WRDA a top priority of this committee, and I certainly want to thank each of you, members of the panel.

My question is for Ms. Larson. In your testimony, you pointed to the McClellan-Kerr Arkansas River Navigation System as an example of the Federal Government partnering with private interests to address the system's $100 million backlog of critical maintenance. A large portion of that system falls in my district. It is critical to both commercial and recreational interests throughout Oklahoma and Arkansas.

My question is: what type of barriers do you see that prevent more of these types of agreements between the Federal Government and private entities to address these critical infrastructure needs?

Ms. LARSON. Thank you for the question.

That river segment really works very well with their Corps of Engineers district offices, Little Rock and Tulsa. So the first part of that agreement is to coordinate and prioritize projects.

The second element that is in there is to allow the contribution of emergency funds, and they are working to ensure that they can do that under current law.

So when we are looking at such partnership agreements across the spectrum of the Corps of Engineers, we need to make sure that there are the legal permissions to allow the non-Federal sponsors to make those contributions in there, and it is not in that case. And that happens across the spectrum whether it is a feasibility study or O&M funding or, as we saw in the levels of service cutbacks, where local communities wanted to pay for some lock master hours so that they could, say, run a recreational boat tournament, they did not have the ability to give the Corps those funds.

So we need to provide that flexibility and allow local sponsors more involvement in that.

Mr. CRAWFORD. Thank you.

You know, being in the Lower Mississippi Basin, certainly the MRT is very important to our district and to the region in general. Thank you for highlighting the 44 to 1 return on taxpayer investment in the MR&T.

The historic flooding along the Mississippi in 2011, along with Hurricane Sandy, provide two clear pictures of the critical role that levees play in our Nation's infrastructure. Can you go into some more detail on the state of the Nation's levees and what you might expect a national inventory and inspection would find?

Ms. LARSON. It really varies according to region, and it really varies according to Federal involvement in those regions. There are many, many small communities throughout the country who have responsibility for the maintenance of their levees, and they simply do not have the resources to do it. So those are the levees and the regions that we want to make sure we target in this kind of inventory because we are talking about public safety here.

When we are comparing that, for example to the MR&T process which has statutory authority and permissions and well established local levee boards who have taxing authority, they maintain their levies. They are very well maintained. That is not the case throughout the country. So we need to make sure that all of those small levee systems are looked at.

We also need to make sure that there is flexibility in that system. The levees in the MR&T differ from the levees in Arkansas as you know, differ from the levees around the city of Dallas and perhaps what is on the Upper Miss. So we need to have that flexibility.

I think we will see wide disparity when we do that evaluation, but it is critically important that we get it done.

Mr. CRAWFORD. Thank you.

I will yield the balance of my time. The chair recognizes Mr. Nolan for 5 minutes.

Mr. NOLAN. Mr. Chairman, members of the committee, I, too, want to commend the chairman for making the reenactment here of WRDA a high priority for this committee and engaging the committee in putting forth the legislation that needs to go before the House of Representatives.

I want to thank the panel for their testimony here today expressing the needs, the benefits, the importance of investing, the opportunities that flow from that. And, of course, I would be remiss if I did not particularly commend Mr. Ojard from our great Port of Duluth.

He is being modest when he says Duluth is not a natural port, which of course it is not, but what a lot of people do not realize is that being located right there almost dead center in North America, people do not typically think of it as a great port facility.

But, indeed, it is. There have been times in modern history when Duluth was the largest seaport in the world as measured by the number of metric tons that go through that port, and to this day there are millions of metric tons of ore and taconite and timber products, grains and cereals from the Midwest, and western coal that utilize that port facility, and we thank you for the wonderful job that you have done in keeping that port the important port that it is for the economic opportunities in that region.

And as someone who has spent 32 years in both the sawmilling and the pallet business and the export trading business, I appreciate your highlighting the fact that a quarter of our GNP comes from exporting. So this is no small matter here in taking care of

the needs and benefits and understanding the investments in our waterways.

And we have heard a lot of good testimony here about full funding and streamlining the process and the regulatory process and the need for flexibility in all of this, and it is timely. It is much appreciated, and it is attention to these kinds of investments in infrastructure that are so critical, so important for our economic future.

I am going to apologize here now for talking about something just a little bit different, but important to WRDA, and that is not to take anything away from the focus of the panel because you are right on. You are spot on on your priorities, and we could not be more grateful to you.

But I wanted to talk just briefly if I could a little bit about some of the delays and, you know, backlogs, particularly as they relate to hydro projects, and since everybody else has been asking Ms. Larson questions, I feel compelled to ask you one, too.

So we have more than 80,000 dams that already exist here in this country, and only about 3 percent of them actually produce any electricity, and that has been brought to the attention of the Congress recently. And a large percentage of these unpowered dams are owned by the Army Corps of Engineers. In fact, 81 out of the top 100 unpowered dams, in fact, are owned by the Army Corps.

It is estimated that simply by powering the facilities the Corps owns could create another 7,000 million watts of clean hydropower in this country, and that is enough to really energize millions of homes and perhaps even take care of all the military needs in the country in terms of the volume.

But time and again, you know, we hear about the delays and the inefficiencies in the Army Corps that get in the way of moving these and other projects forward. There are permitting processes that take years and redundancies among many of the agencies. I have heard about hydro projects, one in Mahoning, Pennsylvania, for instance, that have approval from FERC only to have to wait months while the Army Corps also issues a 408 permit, which itself must go through three levels of Army Corps review.

Ms. Larson, are the complaints I am hearing about and the delays and the redundancies, I mean, are they an actual reflection of what is really going on here?

And is the problem limited only to hydropower? And how can we fix it? You know, given the general view that FERC should be the lead agency, why not create a system in which FERC and the Army Corps work concurrently on their permitting? And the Corps even defers to FERC expertise in some instances.

A lot of questions.

Ms. LARSON. My hydropower people will be very happy for this question.

There are a couple of different things going on. When there are authorized projects, a Federal authorized project, if hydropower is one of those authorized projects, even if it is not operational, it is typically reserved for Federal construction.

If there are projects without a Federal hydropower authorization, it is open to non-Federal hydropower development. And, for in-

stance, there are three hydropower facilities in Arkansas that are non-Federal projects.

When a non-Federal hydropower developer seeks to get approval to operate at this Federal site, they need this 408 permit. Part of that process is to look at the other authorized purposes and ensure that they will not be otherwise undermined or interfered with.

So I think at the district level, the extent of that review depends on the region and what those other projects are, and it may be very complex, and so I imagine for non-Federal hydropower startups, that might be a little daunting depending on the kind of project. And it varies, again, by region of the country.

And so the delay or the time consumption is at the district level. I know for the Pennsylvania project you mentioned by the time it got to the head of Civil Works the final approval was within 3 weeks.

But mindful of those kinds of burdens maybe on these small hydro developers, in March 2011, the Corps entered into a MOU with FERC, and it defers in large part to FERC analysis of NEPA and those sorts of things, but it is a process. You need FERC approval. You need Corps approval for 408, and you still need a 404 permit.

But I think the Corps MOU with FERC has gone a long way to streamline, reduce redundancies, and help particularly those smaller hydropower startups so that they can get a permit and get to business.

Mr. NOLAN. Thank you.

Mr. CRAWFORD. Thank you. The gentleman's time has expired.

The gentleman from Oklahoma is recognized for 5 minutes.

Mr. MULLIN. Thank you for the opportunity to address the panel, and thank you for the time that you have spent with us, too.

Ms. Larson, I hope your ankle is getting better. It was your ankle, right?

Ms. LARSON. A slow process.

Mr. MULLIN. A slow process. Well, I appreciate you taking the time to come to the Hill.

This is one thing that seems that there is definitely bipartisanship in. We all understand the need of our infrastructure and to do it reasonably and responsibly, but at the same time, without the infrastructure the United States has and without us investing in infrastructure, this great country is going to crumble around us because of our lack of interest or lack of ability to repair.

And it seems like the Government is our own worst enemy. It seems like we are fighting each other, and we all want to do the same thing, except we just seem to be walking around in circles.

It is so frustrating as a business owner for me to see this happen, but one problem that we are having in our district, which I represent Oklahoma District 2, which is a very rural area, all eastern Oklahoma, and believe it or not, we have three ports right there in our facility, and it is vitally important to us. But in the current system we have three locks that are closed 4 hours a day because the Corps deemed them to have a lack of lockages because they say there is fewer than 1,000 a year that are recorded going through them.

The problem is that was from 2010, and that was during a time of economic downturn. Now all of them are well over 1,000, and the Corps does not have any recent study to allow these things to be open. So we are experiencing major delays.

Ms. Larson, you stated that it should not be the policy of the United States to discourage economic activity, but that is exactly what we are having. So my question is: are you aware of any other areas experiencing this type of delay in economic activity due to the Corps deeming them lack of lockages?

Ms. LARSON. We have worked extensively with the Corps on its level of service initiative, and around the country there is significant frustration, particularly in Pennsylvania, West Virginia areas on the Upper Allegheny River where there are very few or almost no commercial lockages, but the recreational boating is critically important to their regional economic development and well-being, and similarly in Alabama.

So we are working with the Corps, mindful of budget constraints and perhaps the need to cut service hours, but to do it in a streamlined way so that the river is not closed for 4 hours in Tulsa and then 4 hours in Arkansas, but that it is somehow a streamlined system that is working well together.

Unfortunately, I imagine, as we go forward in this fiscal environment, we may see more of those. The Corps says it is trying to do more with less. At some point that will just not be possible, and it is important, I think, for Congress to decide what are its priorities.

We are very concerned that these kinds of cutbacks hurt the tributary systems, and certainly the McClellan-Kerr system is not a low-use waterway. It is a moderate use and higher use, a huge amount of chemicals moving out of those ports up there, and agricultural products.

So we continue to work with the Corps on that, but it does come down to bottom line dollars.

Mr. MULLIN. Ma'am, thank you, and I will yield back the rest of my time. Thank you

Mr. GIBBS [presiding]. Mr. Maloney.

Mr. MALONEY. Yes, thank you. And I want to thank Chairman Gibbs and I want to thank Ranking Member Bishop for the opportunity to testify today, and I want to thank the panel for your testimony.

I would like to use my time today to emphasize one of the very important aspects of WRDA reauthorization, which is, again, building off the remarks by my colleague, Mr. Nolan, on the importance that dams play in our communities. Folks may not realize that we have 84,000 dams in this country. The average age of a dam is 52 years old I am told.

In my district, there are 100 high-hazard dams. These are dams that if a failure occurred would result in loss of life or significant property damage.

There is a program called the National Dam Safety Program that provides a little bit of Federal money to make sure that in a classic "stitch in time saves nine" way we are performing inspections at an adequate rate, that local authorities and associations have the information they need, the technical expertise they need to pay for

repairs that they need to do and to pay for those repairs themselves, but the Federal Government has historically played an important partnership role in this activity.

That is why I recently introduced the Dam Safety Act that would reauthorize this program, and I just want to emphasize it here today because one of the reasons I wanted to serve on the Transportation and Infrastructure Committee and on this subcommittee is that we have got to proud tradition of working in a bipartisan way.

I am happy to say that I have an original co-sponsor from the other party, from the majority party, Mr. Gibson, who also represents parts of the Hudson Valley with hundreds of high-hazard dams just like mine, and we together want to take this important step because this is not a partisan issue. This is not a Democratic or Republican issue. This is not a Senate or House issue. The Senate has been doing good work on this as well, and while I do not believe, Mr. Chairman, that we should cede our role in this important piece of legislation to the other house in any way, shape or form, I am encouraged to see that it is moving in that side of the Congress as well.

And people may not realize, but this is also not just an urban issue or a rural issue. It is both. So that while most of my dams are smaller and affect smaller communities, the fact is even the city of New York depends on the dams that support the watershed and the reservoir system for the city.

So this should not divide us in any way. It should not divide us across party lines or in either house of Congress or whether we represent an rural or an urban or a suburban district. This is an opportunity to do a basic thing that can and will save lives that we have always done.

And so I want to encourage my colleagues to consider carefully the Dam Safety Act that I have introduced, and I want to thank my co-sponsor on the other side, Mr. Gibson, and I hope that it will receive a real chance in this process as we move forward because it is the kind of thing that will do real good for the people of the Hudson Valley and for communities all over America.

And with that I will yield back the balance of my time. Thank you.

Mr. GIBBS. Ms. Frankel?

Ms. FRANKEL. Thank you.

Mr. Ojard, I think you said you had some recommendations on how to make the Army Corps more efficient. Do you want to be specific?

Mr. OJARD. Yes. Certainly the provision of peer review in our estimation has not really provided any value to the entire process. A review of over 30 studies has indicated that during that peer review process, 6-plus months was added onto the project, sometimes a year or more, and not one major change was made in the project itself.

So that adds money, and it adds time to the process and we would recommend that that we stricken as a requirement for the Corps.

Certainly when we do our channel maintenance and sometimes widening, just the sheer fact that we widen a channel, extend into

areas already authorized, but because of lack of maintenance funding it has not been done for a number of years, and as we extend back out into that, we are required to do environmental studies that, again, add time to the project.

And lastly, there is a number of projects. Now, we have 13 proposals that are part of the written testimony, but a number of those proposals deal with the non-Federal partners, and the ability of non-Federal partners to work with the Corps of Engineers in terms of providing monies, studies, and recognition for the work that they are putting into it, but all of that designed to move the project along quicker and more efficiently, using monies that are non-Federal, and then looking at the opportunities in the out-years to recover those funds if possible for the local sponsors.

So those are just three very general ideas, but all of this is about process and about streamlining and getting the Corps to its task, which is performing the job, the construction and the maintenance.

Ms. FRANKEL. Thank you.

In an informal meeting last week, a representative from the Corps made a statement. I will try to paraphrase it, that the Army Corps has the most difficult task in getting a project implemented because of, he says, requirements that are put on the Army Corps by Congress.

Would you comment on that?

Mr. OJARD. Only to say he is absolutely dead on. There is just a never ending number of hoops to be jumped through. The process is lengthy. The review is extensive. Everybody is engaged in the activity, and there is opportunity at every turn if you do not like a project to stop it, to extend it, to defer it, to just try to muck it up.

And we in the industry that are trying to do the best we can find that we are being impeded at many turns and sympathize with the Corps because they are trying to do their job and do it well.

Ms. FRANKEL. Will your recommendations take that into account?

Mr. OJARD. Well, yes, some of the recommendations do do that as well, yes.

Ms. FRANKEL. And could you just quickly comment? We are talking about tonnage is not equivalent to the quality of a port.

Mr. OJARD. Well, in that regard, first off, when we talk about the Harbor Maintenance Trust Fund and the tax, you have to recognize that it is on imports. Therefore, if you are a donor port, you could be a donor port because you have high imports and very little maintenance, where in reality I think we are talking about jobs and we are talking about exports.

Certainly a ton of T-shirts going to a big box store does not have the value, does not support the jobs that a ton of iron ore, raw materials moving domestically within this country supports, hundreds of miners in Minnesota, sailors moving through the Great Lakes, steel mills in the lower States, the manufacturing, the infrastructure, the automotive, appliance, as well as the structural steel for our highways, et cetera.

So all of this has to be taken into account and then plus on that, the local and regional economy. And once we get rid of small ports, once you start this process of trying to eliminate, it is a death spiral, and in the Great Lakes trades. We trade with each other. We

are constantly trading. We are the largest port, but we interface with almost every port on the Great Lakes.

And as those ports start to lose dredge funding, which they are, ultimately they will be shut down. Our port will suffer. There will be a modal shift. We have done modal shift studies. The impact of that is significant not only in terms of cost, but in jobs and the environment.

So we really believe that it is imperative that we have full spending, full use of those harbor maintenance tax funds. Those funds, if offset, will provide a long-term fix to our national needs and our national interests and should spur the economy and provide jobs for our Nation.

Ms. FRANKEL. Thank you.

Mr. Chairman, may I ask one last quick question since I think I am the last one here?

I would like to ask you, Mr. Ojard, could you comment on Mayor Simmons' concept of having a regional approach to some of these projects and whether or not if, for example, in doing some dredging that would help a port, using that sand to renourish a beach, whether that would impede the port's operation or the speed of that particular project?

Mr. OJARD. Well, first off, every project is unique, and I think we have to take that into account, and again, the Corps of Engineers is trusted to do the most efficient job, but in today's world if it is not a two-fer or a three-fer, multiple projects, one project supporting another project supporting other projects, we are losing the opportunity.

In our port, we are looking to use dredge materials for habitat restoration. The Corps of Engineers is not necessarily paying for that, but it is coming from some other environmental pot to pay for that, and I think that is where we have to go.

Ports will partner with anybody to maintain their commercial needs, and the dredge materials that we have, if they are suitable for a beach, if they are suitable for habitat creation, they should be used there. The Corps will do what they can in terms of the pricing for the lowest cost. That additional cost can certainly be met through such as the Great Lakes Legacy Act that we have and were involved in.

And right now, we have got environmental groups arguing over who is going to get that dredge material that we plan to deliver here in the next year or two on a special project.

So I think there is opportunity to work collectively, work together, satisfy multiple needs, and save this Government money.

Thank you.

Ms. FRANKEL. I thank the gentleman.

Thank you, Mr. Chairman, for your courtesy.

Mr. GIBBS. Mr. Bishop.

Mr. BISHOP. Thank you very much, Mr. Chairman.

Just a couple of quick points. I think I am the last question that Congresswoman Frankel asked at least in my district. Every inlet that is dredged, the spoil goes onto a beach, and you are absolutely right. We need two-fers. We need three-fers, and I think the Corps is very attuned to that.

I want to thank you, Mayor Simmons, for your defense of using taxpayer funds to stabilize our beaches. As a person who represents a district that has over 300 miles of coastline, I recognize and I want to emphasize the point that Professor Gobler made, that communities within 50 miles of the coast produce half of our gross domestic product. That is $8 trillion, communities within 50 miles of the coast, and I know in my district the single greatest industry, if you will, in my district is travel and tourism, and the second is the second home industry, everything associated with the second home industry.

We employ an enormous number of people because of the people that live along those beaches, and the people that live on the bay side of those beaches are not the wealthy landowners, and yet as Professor Gobler pointed out, if we have breaches in those beaches, it is the people on the mainland that are going to bear the brunt of that in many cases.

And I would also point out that at least in New York we have what we call erosion control districts. I do not know whether they are used throughout the country, but where coastal taxpayers get together and tax themselves and engage in beach nourishment projects, and they are working quite well.

Lastly, I just want to thank you, Ms. Larson, for raising the 800-pound gorilla that is in the middle of the room in your testimony, and that is how do we deal with the earmark moratorium, and I think your suggestion is a very good one. There are a couple of other ways that I would hope my colleagues would consider.

One is that if a project is a trust fund funded project, that is to say Harbor Maintenance Trust Fund, Inland Waterways Trust Fund, Highway Trust Fund, that that would be a project that would be exempt from the earmark ban, and again, all would be vetted through this community.

And then another possible way is if the project is Federal money flowing to another governmental entity, whether it be a State or a town or a county or some authority of some type. That also, but the fact that, you know, we have engaged in this in an effort to avoid wasteful expenditures of Federal money and yet as a result of being engaged in this we are wasting Federal money by virtue of not being able to follow up on projects that we have already authorized and funded, I mean, I think that is the ultimate irony.

So I thank you, and if you would care to comment, I would appreciate your comment.

Ms. LARSON. Well, thank you, and I will continue to raise that 800-pound gorilla because I think this committee needs to resolve it.

The other component of that that I think we really need to be mindful of when we are talking about policy reforms, we saw in the Senate version of the bill efforts to address perhaps particular problems, whether it was a biological opinion or something else. Because of the earmark moratorium instead of addressing a discrete problem, it grants sweeping authority, stating "the Secretary shall do whatever is necessary."

And that could be beyond congressional intent or even the underlying statute, but I think we need to be mindful of that. Those

sweeping grants of authority then would undermine the streamlining efficiencies that we are trying to put in.

Mr. BISHOP. Keep raising the issue.

Ms. LARSON. Thank you.

Mr. BISHOP. Thank you very, very much.

I yield back, Mr. Chairman.

Mr. GIBBS. All right. Thank you.

I am going to kind of wrap up here, but I first want to apologize for Chairman Shuster and I had to step out to meet with General Bostick. So I think it was worthwhile that we had to step out.

Mr. Ojard, I know you are from Duluth, but you also represent the Council of the American Port Authorities. You know, we look at China. I think I saw a report that they are actually dropping down maybe just under 7 percent growth, GDP growth, which I wish we were there. We have got a long ways to go, but we have seen that expanding market.

We have also seen Chinese investing in South America, in the infrastructure down there. Can you give us kind of a handle? The reason I ask this, I guess, is the potential because we have got Members like myself that do not have a port or are not in the inland waterway system, but the importance of the trade and what is happening with China.

What kind of products do we see that we are exporting to China or vice versa? Can you just kind of fill us in on the potential we have with China, with that kind of growth, especially with their population? Their middle class is bigger than our entire population.

Mr. OJARD. Well, certainly the access to China is going to be through our ports, and what we can offer in the world economy is going to be based on price, price and quality, and if we can price it because of our transportation infrastructure at a competitive price, we are going to sell American products to China and be it durable goods or some of the luxury items that that developing middle class is in desire of.

China is also after, of course, a lot of raw materials, and just for the committee's education, iron ore from Duluth, Minnesota, 2,340 miles from the Atlantic ocean, is moving to China. It is supporting hundreds of jobs in Minnesota as well.

So, again, that would not move to China if it was not for our waterway system and our harbor. The St. Lawrence Seaway System is providing the avenue to export into these global markets.

Coal is moving from our port to northern Europe. It is that trade that is key to our future and to our future development, and I do not know how you access that trade without funding the ports, maintaining their efficiencies, and creating the necessary environment to move forward with construction, with the maintenance, and do it in an efficient manner.

So I applaud the committee on the work to drive that efficiency.

Mr. GIBBS. But you are confident in saying that. I have been saying this. One of the reasons that we have been globally competitive over decades is because we have been blessed with a maritime transportation system that is second to none in the world, and we have had the example that Chairman Shuster has talked about, the soybeans exports, you know, competing with Brazil, how we are

beating them by $50 or $60 a ton because of our transportation cost.

I guess what I'm trying to say is we are falling behind, and we could actually lose that advantage. And if we do that, the effect on our economic growth and job creation in this country would be very apparent, I think.

Mr. OJARD. Absolutely correct, and it is not only the waterway, but it is our connectors. It is how we connect to the rail. It is how we connect to the highway system, and developing that robust port. It has multimodal aspects to it. All of this drive our efficiency.

So our transportation system is a system of efficiency that has certainly served us well, but I think if we went back and looked at the reports from the civil engineers, we are finding that it is definitely lacking for repair, for maintenance, and funding, and that is the spiral that I have talked about, and I think it is going to come home to roost if we do not recognize it.

Mr. GIBBS. I know, Mr. Stephaich, the chairman alluded to it a little bit, but I want to just really cement it. You know, we talk about the cost and delays. The river system has not been shut down completely, but we have definitely had delays, and that adds to costs, and those costs obviously get passed on to our shippers and consumers, right?

Mr. STEPHAICH. Absolutely. We look at scheduled outages and unscheduled outages. We have seen the number of unscheduled outages increase rapidly here over the last few years. There are good Corps statistics on that.

We can plan around a scheduled maintenance outage with our customers and pre-ship or ship afterwards, but when we are caught off guard, so to speak, it is a real problem and the costs are driven up.

Mr. GIBBS. Ms. Larson, just one quickly here. I think there was some discussion on the headwaters of the tributaries. I know the Corps has been looking at trying to save costs on some of the locks, on the hours of operation. I think that is a concern of yours, to make sure that we can at least facilitate, schedule appropriately so that we do not shut down the barges coming in from the tributaries into the main system.

Ms. LARSON. That is correct. We need to make sure that the cuts in service are coordinated, and not, as on the Oklahoma-Arkansas River waterway system, 4 hours in Oklahoma and a different 4 hours in Arkansas that were not aligned. It is like traffic lights in the District that are not aligned. It is not productive, and it slows down transportation even more.

So those two particular districts, the Little Rock and the Tulsa district, are working to make sure that they have a better coordinated system.

Mr. GIBBS. Well, I want to thank you all for coming and continuing to work on this. You know, we understand the importance of this, and I know Chairman Shuster and I have committed to try to bring something to fruition here that will be beneficial to the American people and our economy and job creation.

So this concludes our first hearing on WRDA.

[Whereupon, at 12:21 p.m., the subcommittee was adjourned.]

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Advocating for healthy coastlines

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TESTIMONY

HARRY SIMMONS, PRESIDENT
AMERICAN SHORE AND BEACH PRESERVATION ASSOCIATION

HOUSE SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT

TUESDAY, APRIL 16TH, 2013
10:00 A.M., 2167 RAYBURN HOUSE OFFICE BUILDING

INTRODUCTION

Chairman Gibbs, Ranking Member Bishop, and Members of the Subcommittee; my name is Harry Simmons and I am President of the American Shore and Beach Preservation Association. I am pleased to appear before you today to discuss the upcoming Water Resources Development Act.

ASBPA is comprised of coastal counties, cities and towns throughout the nation, as well as a large contingent of coastal engineers, researchers, scientists, and regulators. Together, we are dedicated to advocating for policies that benefit the communities and resources of coastal America; because what happens along our coasts is inextricably linked to the health and welfare of all 50 states.

It has been nearly six years since Congress last passed a WRDA, and the programs and policies that impact America's coasts are in desperate need of revision. Superstorm Sandy is the latest in a series of natural disasters that have sadly highlighted the vulnerability of American coastal regions to severe storms. But what Sandy also demonstrated is that the rather modest investment that the Federal government and its non-Federal partners have made in strong dune systems and wide, healthy beaches was repaid many times over. In the years ahead, there will be more tropical storms, nor'easters, and El Niño events that will threaten lives, safety and property along the coast. Their potential impact will continue to increase as our coastal population and economy expand. ASBPA believes in the necessity of investing wisely in the Nation's future. We fully support the subcommittee's commitment to pass a WRDA bill, and appreciate the opportunity that today's hearing affords to put forth key provisions that will provide resiliency, sustainability, and efficiency in common sense management for our coasts.

REGIONAL PROJECT PLANNING AND IMPLEMENTATION

ASBPA's belief in the importance of investing in the future comes from an understanding of the seriousness of America's current fiscal situation. Our growing debt necessitates more careful spending on projects that will act as investments for the future. Congressional support for important coastal protection projects helps to protect thousands of communities from flooding and erosion, saving lives and money. One of the lessons to be learned from the increasing need to spend taxpayer money more wisely is that the Corps must adopt a system that plans, manages, and funds these important water resources projects more efficiently.

Nowhere is this need to increase efficiency more apparent than on our nation's shorelines; where inlets, rivers, wetlands, and beaches form complex sediment ecosystems. Sediment residing on eroding shorelines should naturally make its way downstream. However, jetties and manmade inlets often disrupt this natural sediment cycle, which causes dangerous erosion on downstream shorelines. The degradation or loss of natural coastal features such as dunes, beaches and wetlands results in increased storm damage to manmade infrastructure and natural resources, costing the nation millions in response and recovery from storms, diminished biological production from degraded wetlands, and tremendous human suffering.

Section 2037 of the Water Resources Development Act (WRDA) of 2007 granted the Corps the authority to plan and undertake, where appropriate, coastal navigation, shore protection, and environmental restoration projects on a regional basis, rather than just project-by-project. As enacted, it is a well-intentioned effort to increase opportunities for the beneficial use of sediment obtained from the dredging of federal navigation channels, but was placed under the limiting umbrella of the Corps' Continuing Authorities Program. These good intentions were further restricted by the adoption of internal guidance by the Corps that prohibits using available supplies of offshore sediment to supplement the sand dredged from navigation channels in order to accomplish the single goal of repairing erosion.

It is time to cease planning, investing and managing individual Corps coastal projects. Regional alliances of coastal states with significant coastal missions, which are supported by the Corps and other federal agencies, will allow federal, state, and local governments, together with key private sector stakeholders, to determine the water resources needs of the region and their prioritization. Equally important, if not more so, the development of a regional coastal policy will provide the cohesiveness and cost-effectiveness that is not possible using a project-by-project approach.

SHORE PROTECTION PROJECT EXPIRATION

Another important initiative to assure that the goals of coastal sustainability and resiliency are attained is to adopt a procedure to enable the evaluation and authorization of coastal protection projects whose period for Federal fiscal participation is about to end. Under the Water Resources Development Act of 1986, most coastal protection projects constructed by the Army Corps of Engineers are authorized for a continuing construction period with cost-sharing participation by the federal government for a period of up to fifty years from the start date of initial construction of the project.

There are several beach projects that are rapidly approaching the end of this fifty-year period of federal fiscal participation. The Corps currently lacks the statutory authority to conduct an evaluation to determine whether or

not it is feasible to reauthorize federal participation in these projects. Without a statutory procedure to continue federal fiscal participation, these projects face a cut-off in their federal funds, and the resultant loss of their ability to fund projects that provide the quality and degree of protection that is possible only with federal assistance. ASBPA supports the enactment of a straightforward evaluation procedure to determine whether continued sharing in the cost of maintaining that critical level of protection is recommended.

ASBPA also supports a full fifty-year extension for federal fiscal participation. Providing a limited period will not afford states and local governments sufficient time to develop and implement the measures that will increase the resiliency and sustainability of their coasts. When added to what has been the substantial number of years of evaluation the Corps process has required, a shortened period will also not be cost-effective for both federal and non-federal project partners. Therefore, we urge you to include a provision that will enable continued federal fiscal participation for fifty years.

THE ROLE OF CONGRESS IN MEETING THE NATION'S WATER RESOURCES NEEDS

Another issue that ASBPA feels strongly about is the role of Congress in meeting the nation's water resources needs. The federal government no longer has the fiscal capacity to maintain the same level of water resources needs it has supplied over the past 50 to 100 years. Nevertheless, it is up to the federal government to provide the vision and leadership to achieve that goal and meet those water resources needs over the remainder of this century. Both the policies and funding to implement that vision are in the hands of Congress. Unfortunately, Congress delegated most of the funding decisions to the President when it abolished "earmarks." While there is debate as to the wisdom of this action, it is both unwise and detrimental to apply that prohibition to the civil works program of the Army Corps of Engineers.

To be eligible to be included in the Corps' budget, a study or a project must be authorized by Congress. The two dozen steps required to get through the feasibility study process are rigorous, costly, and time-consuming. To give this or any other Administration the authority to determine which studies and projects to fund is to give them the power of the purse that our Constitution has laid upon the shoulders of the congressional branch.

The same can be said of the authorization process. Every proposed Corps project must successfully go through all of the required steps, including mandatory internal and external reviews and approval by the Chief of Engineers, before it is eligible to be constructed. There is no reason to consider the final determination of such eligibility, let alone the initiation of the study process itself, to be an earmark. ASBPA strongly urges that the authority to make authorization decisions remain in the hands of Congress and not the Administration. The best available short-term solution should be based on the approach taken in the recently-passed Sandy relief bill. Any project that has been determined by the Chief of Engineers to be cost-effective, environmentally acceptable, and technically feasible should be deemed eligible to receive construction funding from Congress, subject to the availability of funds. Similarly, to assure that new studies can be initiated, we urge you to establish a New Starts Fund that, subject to the availability of appropriations, will enable the Corps to use current procedures to respond to requests to study emerging water resources needs.

ARBITRARY POLICIES ARE UNDERMINING THE NATION'S WATER RESOURCES PROGRAM

Unfortunately, arbitrary policies are undermining our water resources program. Under law, Corps projects must produce $1 in benefits to federal taxpayers for every $1 they cost.. However, the Office of Management & Budget (OMB) is currently using an arbitrarily-determined Benefit-Cost Ratio (BCR) of at least 2.5 to 1 as its standard for determining whether a project may be included in the President's Budget or the Army Corps of Engineers' Work Plan. ASBPA contends that the use of this BCR is both subjective and inappropriate.

Some areas of the Corps' water resources responsibility benefit greatly from the use of BCR. Deep draft navigation projects, for example, receive tremendous net benefit from each additional inch of depth. This makes it easy to maximize BCR. However, flood damage reduction projects, including shore protection projects, are planned to maximize their National Economic Development (NED) benefits, rather than the BCR. The NED maximizes the net contribution to the national economy, but does not necessarily result in the highest BCR. Opting for lesser levels of protection in order to have a higher BCR and improve chances for budgeting only increases risks to life and safety. The use of the BCR to decide which flood protection projects get funded provides a perverse incentive for the Corps that may endanger communities across the country.

On the issue of "New Starts," the Administration decided several years to oppose funding for almost all new studies and new construction. More recently, Congress has adopted this same approach. It seems reasonable to prohibit "new starts" when there is a so-called "backlog" of work to be completed. Under the leadership of Major General Michael J. Walsh, the Corps' Deputy Commanding General for Civil and Emergency Operations, much of the "backlog" is being proposed for deauthorization or placed in "inactive" status. These decisions are being made through a rational process as opposed to the arbitrary mandate to prohibit all new starts. Our nation's water resources needs are not static. It is, of course, more difficult to make decisions about prioritization and funding that are not based on arbitrary policies, but it is critical that the necessary time and thought be given to these choices.

ASBPA urges you to include a provision within the proposed WRDA bill that calls for an end to the use of pennywise but pound-foolish budget policies such as the two I have just mentioned. Their very existence has made it difficult to do the type of forward-looking planning and decision-making that is so needed.

CONCLUSION

In closing, Chairman Gibbs, Ranking Member Bishop, and Members of the Subcommittee; thank you for allowing me to appear before you today. ASBPA appreciates the opportunity to provide the subcommittee with its views. We also appreciate the professionalism and courtesy of your respective staffs. In the future, we would be happy to offer you and your staffs the assistance of our members; including coastal scientists, engineers and managers; as well as state and local government officials and other community leaders.

Thank you.

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Testimony of the National Association of Flood and
Stormwater Management Agencies

Presented by Dusty Williams
NAFSMA President and General Manager/Chief Engineer
Riverside County Flood Control and Water Conservation District

Water Resources Development Act of 2013

U.S. House of Representatives

Committee on Transportation and Infrastructure
Water Resources and Environment Subcommittee

Representative Bob Gibbs, Chairman

April 16, 2013

The National Association of Flood and Stormwater Management Agencies (NAFSMA) is very pleased to testify on proposals for the Water Resources Development Act of 2013. On behalf of our membership, many of whom are non-federal partners on flood damage reduction and environmental restoration projects with the U.S. Army Corps of Engineers, we thank you for your leadership and efforts to move a Water Resources Development Act forward this year.

NAFSMA appreciates the difficulty of drafting this much-needed bill in light of the serious economic issues facing the nation, at all levels of government, and the constraints of earmark limitations on this national authorization debate. We thank you for your efforts to move water resources projects forward and offer to work with you to address these critical issues as you continue your efforts to enact a comprehensive water resources development bill this year.

Background on NAFSMA

NAFSMA is a public agency driven organization based in the nation's capital, with a focus on effective flood and stormwater management in urban areas. Our mission for close to 35 years has been to advocate public policy and encourage technologies in watershed management that focus on flood protection, stormwater and floodplain management. Through this mission, NAFSMA enhances the ability of its member agencies to protect lives, property and economic activity from the adverse impacts of storm and flood waters.

Formed in 1978, NAFSMA works closely with the Corps of Engineers, the Federal Emergency Management Agency and the U.S. Environmental Protection Agency, as well as other federal agencies and national water resource organizations to carry out its mission. NAFSMA members are on the front line protecting their communities and regions from loss of life and property and are responsible for flood mitigation, flood water and emergency management activities as well as the water quality protection.

Therefore, the organization is keenly aware that flood damage reduction activities and projects are a wise and necessary investment required to first reduce loss of life and ensure the safety of our citizens. In addition, our members are charged with reducing damages to peoples' homes and businesses and critical infrastructure, while also protecting the environment and preventing economic disruption. Flood management has proven to be a wise investment that more than pays for itself by preserving life and property, thereby reducing recurring requests for federal disaster assistance.

Especially since WRDA 1986, this protection has been provided through a strong and well-tested federal-nonfederal partnership which NAFSMA values and will continue to work to improve and strengthen as we move forward in such critical flood management discussions as WRDA 2012. As a result, we are dedicated to ensuring that the nation's flood management systems can be operated and maintained properly and any needed inventory, assessments and repairs to flood damage reduction structures can be implemented smoothly.

Intergovernmental Flood Risk Management Efforts

Beginning in August 2005, just prior to Hurricane Katrina's devastating impact on the Gulf Coast, NAFSMA convened a discussion between our members, Corps leadership, FEMA, the Association of State Floodplain Managers, and other levee experts to discuss the need to inventory and assess the nation's levees due to issues that would definitely develop in this area as FEMA's flood map modernization process continued to move forward. This meeting and numerous subsequent joint

discussions have led to a much stronger working relationship in the flood damage reduction arena between the Corps of Engineers and FEMA. These interagency partnerships at the federal, as well at the state, regional and local levels are critical to reducing the nation's risks from flooding.

NAFSMA very much appreciates the strong initiatives of both agencies and their leaders to speak with one federal voice on these critical issues. Many strides have been made in this effort at the federal level and we hope that this continued commitment will result in better communications and partnerships at the District and regional levels of both agencies.

NAFSMA Recommendations for WRDA 2013

Enact WRDA 2013

The reauthorization of the Water Resources Development Act is critical. In the wake of the enormous devastation caused by Sandy, moving our nation's flood risk management initiatives forward to protect life, property and the economy from flood and storm disasters is more important than ever. Local, regional and state agencies depend on WRDA's reauthorization.

Crucial flood damage reduction, environmental restoration and watershed planning projects face significant cost increases and missed opportunities for safety, economic, and environmental improvements while waiting for Congressional authorization. During these tough economic times, we must all find ways to reduce costs, expedite studies, and minimize reviews and permitting so we can build projects that reduce the loss of life and property from the flood threat and put people to work.

As you move forward with drafting WRDA 2013, it is important to recall that many existing and potential non-federal sponsors and their congressional delegations held critical projects back from consideration in WRDA 2007 at the request of committee leadership and staff in an effort to move that bill forward. These projects now need to be considered as they are necessary to protect lives, public safety and critical infrastructure, and provide new jobs critical to the economy. In addition, some existing project authorizations require amendments to move forward, as well.

Exclude Corps of Engineers Water Resources Projects from the Definition of Earmarks

Federal funds used to reduce the loss of life and property damages from floods are an investment in improving the resiliency of a community and the nation. The Corps of Engineers' process and associated legislative requirements for identifying, vetting, and funding potential projects is an example of a transparent and public process which does not belong in the earmark category. Since a national interest needs to be determined in Corps-partnered projects before they can move forward, this factor should remove them from the earmark definition. NAFSMA urges Congress to exclude Corps of Engineers water resources projects from the earmark category.

Enactment of a National Levee Safety Program

Having had the privilege to serve as a member of the National Committee on Levee Safety established by WRDA 2007, I am pleased that NAFSMA's membership approved a resolution in support of enactment of a National Levee Safety Program in November 2011, which is attached.

In adopting the resolution, NAFSMA noted that the nation lacks of a complete understanding of levee location, ownership and condition throughout the country, and further that federal funding participation is required for the rehabilitation and repair of levees, many of which were constructed in partnership with the U.S. Army Corps of Engineers. NAFSMA's resolution also recognizes that levee owners and operators should implement flood risk management activities such as emergency preparedness and planning and education and outreach components as part of a flood risk management program.

NAFSMA urges Congress to move forward with a voluntary and incentive based National Levee Safety Program that includes qualified states, and local and regional flood control districts. NAFSMA further recommends that a levee rehabilitation and repair fund with incentives for sound flood risk management be established as part of WRDA 2013.

Other Critical Levee Safety Recommendations

Authorize Completion of the National Levee Inventory

NAFSMA urges Congress to authorize the completion of the National Levee Inventory (also known as the national levee database), including non-federal, as well as federal levees.

Authorize Corps, When Requested, to Carry Out Levee Certifications

With many flood damage reduction projects built through partnerships with the Corps, the Corps District offices are in many cases uniquely suited to carry out levee certification activities. NAFSMA strongly believes that the original national interest that was determined to exist in order for federally-partnered flood damage reduction projects to move forward, still remains, and in most cases is even stronger. It follows then that there is a shared responsibility for the Corps to participate in FEMA's certification process.

Establish National Levee Rehabilitation, Improvement, and Flood Mitigation Fund

In the spirit of shared responsibility, NAFSMA strongly endorses the recommendation of the National Committee on Levee Safety and urges Congress to establish a repair, rehabilitation and flood mitigation program to address critical levee repairs and authorize federal cost-sharing with owners and operators of levee systems.

Explore Expanding Credit Incentives for Levee Safety Activities

NAFSMA urges that full credit for work performed by a non-federal sponsor, or cost sharing partner, for identified levee strengthening or retrofit activities not be limited to the nonfederal cost of the project. In instances where major activity is needed to repair federally-partnered flood management projects, the nonfederal sponsor needs the ability to advance these activities with the knowledge that the work will be eligible for appropriate credit. NAFSMA offers to work with the Committee and the Corps to amend these applicable sections.

Crediting for Ecosystem Restoration Activities Linked with Levee Safety Strengthening and Retrofits

NAFSMA urges that credit or reimbursement be allowed for environmental mitigation or restoration activities needed as the result of work performed to repair or improve existing flood damage reduction systems.

Develop and Implement Measures to More Closely Harmonize Levee Operation and Maintenance Activities with Environmental Protection Requirements

This National Committee on Levee Safety recommendation is particularly important to NAFSMA members who are currently trying to maintain the integrity and strength of their existing levees so they provide the flood reduction capabilities expected by the public. Currently, there is a lack of consistency by federal regulators and environmental agencies in the permitting and guidance of levee maintenance that is resulting in unpredictable requirements and timelines. Specifically, the management of deep-rooted vegetation on levees has become controversial.

Conflicting regulatory and environmental agencies' views are resulting in long delays or inability to perform needed infrastructure maintenance. NAFSMA concurs with the National Committee on Levee Safety that acceptable operation and maintenance practices need to be developed in conjunction with and coordination with state and federal environmental agencies so lives and property can be protected, and significant environmental and natural resources are not impacted.

NAFSMA urges Congress to clarify routine maintenance of flood damage reduction channels and basins and to improve the regulatory process for obtaining the necessary permits for routine maintenance of the facilities.

Non-Federal Project Implementation Pilot Program

Include a pilot program to evaluate the cost-effectiveness and project delivery efficiency of allowing non-federal interests to carry out flood risk management projects. NAFSMA is very supportive of this type of effort for design and construction of projects that do not require a new start. This effort could help to identify project delivery and cost-savings alternatives that reduce the backlog of authorized Corps projects and evaluate the technical, financial and organizational efficiencies of a non-federal interest to carry out the design, execution, management and construction of projects. Similar provisions addressing non-federal implementation of feasibility studies are also supported by NAFSMA because of potential to complete studies more timely and have cost savings.

Levee Vegetation Policy

NAFSMA strongly supports the inclusion of language to direct the Assistant Secretary of the Army (Civil Works) to conduct a comprehensive review of Corps policy guidelines on vegetation on levees. NAFSMA has raised concerns about the one size fits all nature of this policy, which we are concerned is not supported by conclusive research. Many of the flood damage reduction projects now faced with vegetation removal requirements were constructed in partnership with the Corps, with vegetation included in the projects to provide habitat benefits.

Address Crediting Issues

NAFSMA supports including language to address concerns of non-federal partners relating to Section 104 credit eligibility and its availability to sponsors for advance construction of flood protection works. With the current economic strain faced by non- federal sponsors and their federal counterparts alike, the ability to address critical flood damage reduction and public safety needs by promoting earlier construction of these essential projects represents a sound investment of federal and local resources.

Project Acceleration Provisions

NAFSMA strongly supports the inclusion of language to help ensure that the environmental review processes are managed and completed by the natural resource agencies in a timely, coordinated and environmentally responsible manner. These procedures and financial penalties are similar to those included in the MAP 21 highway bill enacted in 2012.

Make Section 214 of WRDA 2000 Permanent

Section 214 of WRDA 2000 allows the Secretary of the Army to accept and expend funds contributed by non-Federal public entities to expedite the processing of permits. The Section 214 program has been valuable in allowing local governments to move forward with vital infrastructure projects and maintenance with minimal or no impact to the environment that might have otherwise been held up while waiting for permits to be processed. By funding additional staff to work on permit evaluations, existing Corps staffers are able to process permits more quickly, resulting in a reduction of permit wait times not only for the funding entity, but for any individual or organization that makes an application with that Corps District. The Section 214 program has been reauthorized for limited terms repeatedly and NAFSMA urges Congress to permanently authorize the program.

Provide Incentives for Sound Floodplain Management

NAFSMA supports the current federal cost sharing of 65 percent federal/35 percent local, but would support options to provide for a sliding cost share formula for federally-partnered flood damage reduction projects. We would urge that the 35% local cost share be reduced for non-federal sponsors where the community is carrying out sound floodplain management activities and have or would achieved a strong rating from FEMA as part of the Community Rating System program, or are taking special actions to preserve natural areas and increase community resiliency. Such incentives have been successful at the state level.

Increase the Limit for Requiring Independent Peer Review to Larger Projects

NAFSMA recommends raising the floor that triggers External Independent Peer Reviews to $100 million or more. Setting the level at $45 million brings in smaller water resource projects. NAFSMA is concerned that the benefits from reviewing projects on this scale have not been proven and are concerned about using limited federal resources to address these reviews. If a project under the $100 million limit has been deemed controversial by the District Commander; it could be moved into the Independent Peer Review Process.

Improve the Corps Planning Process

The Corps in recent months has moved forward on plans to transform the civil works process and to improve the project planning process, which has been a long, complex and costly planning exercise that does not necessarily yield better flood reduction projects. NAFSMA requests the Committee to support any and all means to expedite the planning process including authorization changes, if needed.

NAFSMA supports non-federal sponsors receiving full credit for all legitimate project related expenses, similar to credit received by the Corps of Engineers for project related expenses.

Review and Improve Project Partnership Agreement

The preparation, negotiation, and approval of Project Partnership Agreements or amendments are sometimes difficult. NAFSMA recommends a comprehensive review and evaluation of the process and templates in coordination with non-federal sponsors with recommendations for improvements, including concerns about federally-partnered projects once they reach or exceed their design life. NAFSMA has led these project agreement review efforts in the past, including the initial review of the Local Cooperation Agreements in the early 1990's which led to the first major revision of the Local Cooperation Agreements, which as a result became the Project Cooperation Agreements.

NAFSMA supports changes to the Project Partnership Agreement (PPA) that would limit the contractual liability of operation, maintenance, repair, replacement and rehabilitation (OMRR&R) requirements on the local sponsor to the design life of the project. If there is not financial commitment by the federal government to recapitalize and rehabilitate projects then more of the long term service and/or decommissioning decision making should reside with the local sponsors.

Closing

NAFSMA very much appreciates this opportunity to testify and our members look forward to working with the Committee on WRDA 2013. Please feel free to contact me or NAFSMA Executive Director Susan Gilson at 202-289-8625 with questions.

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Support For A National Levee Safety Program

Resolution 2011-02
Approved by the Membership on November 3, 2011

WHEREAS many members of the National Association of Flood and Stormwater Management Agencies are owners and operators of flood control structures, including levees, and are charged with responsibility for the protection of lives, property and the environment from flood risk;

WHEREAS, Congress through the authorization of the Water Resources Development Act of 2007 established the National Levee Safety Committee charged with the task of developing recommendations for a National Levee Safety Program;

WHEREAS, the National Committee on Levee Safety delivered a set of draft recommendations to Congress on January 15, 2009;

WHEREAS the nation is currently lacking a complete understanding of the location, ownership and condition of levees throughout the country;

WHEREAS there is clearly a need for federal funding for the rehabilitation and repair of levees throughout the country, many of which were constructed in partnership with the U.S. Army Corps of Engineers;

WHEREAS the responsibility of levee owners and operators, in addition to maintaining flood control structures, includes flood risk management activities such as emergency preparedness and planning, as well as education and outreach components;

NOW THEREFORE BE IT RESOLVED, the National Association of Flood and Stormwater Management Agencies urges Congress to move forward with a National Levee Safety Program that is voluntary and incentive based and includes qualified states, local and regional flood control districts. A levee rehabilitation and repair fund and incentives for sound flood risk management at all levels of government are critical elements of a National Levee Safety Program.

James Fiedler, President

November 3, 2011

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Regulations and Policies – A Reasonable and Sustainable Approach

Resolution 2011-01
Approved by the Membership on November 3, 2011

WHEREAS many members of the National Association of Flood and Stormwater Management Agencies are charged with responsibility for the protection of lives, property and the environment from flood and stormwater risk;

WHEREAS, many local, regional and state governments are facing significant economic and funding challenges;

WHEREAS, local flood, floodplain and stormwater management agencies are responsible for meeting numerous local, state and federal regulations as part of their responsibilities;

WHEREAS the number and requirements associated with these regulations requires significant funding and staff resources;

WHEREAS the members of the National Association of Flood and Stormwater Management Agencies are committed to carrying out responsible and reasonable flood management, floodplain and stormwater management requirements;

WHEREAS members of the National Association of Flood and Stormwater Management Agencies are charged with providing adequate support for infrastructure at the local and regional levels;

NOW THEREFORE BE IT RESOLVED, that the National Association of Flood and Stormwater Management Agencies urges Congress and the federal agencies to only consider legislation and regulations that respect local authority and regional differences; are reasonable with the current technical and economic environment; protect local and regional flood, floodplain and stormwater management agencies from unfunded mandates; streamline state and federal environmental permitting processes; provide support for sustainable programs at all levels of government and provide for adequate investment of public infrastructure.

James Fiedler, President

November 3, 2011

Statement of Peter Stephaich
on behalf of
Waterways Council, Inc.
before the
Subcommittee on Water Resources and Environment
Committee on Transportation and Infrastructure
U.S. House of Representatives
April 16, 2013

Chairman Gibbs, Ranking Member Bishop, and Members of the Subcommittee, thank you for the opportunity to testify before you today on the topic of "Foundations for a New Water Resources Development Act". My testimony will focus on the importance of water resources development legislation, the fact that our current approach for modernizing the Nation's locks and dams is fundamentally broken, and the need for adoption of the Capital Development Plan to address this situation.

As Chairman of Campbell Transportation Company, I am the chief executive officer of a fully integrated marine service provider headquartered near Pittsburgh, Pennsylvania. Campbell operates 40 towboats, 500 barges, four shipyards/repair facilities, and a fabrication shop at two locations on the Ohio River and two on the Monongahela River. I am also a member of the Board of Directors and the Executive Committee and am the Secretary of Waterways Council, Inc. (WCI or Waterways Council). Waterways Council is the national public policy organization that advocates in support of a modern and well-maintained system of inland waterways and ports. Our diverse members include waterways carriers, shippers, agricultural interests, port authorities, trade unions, shipping associations and waterways advocacy groups from all regions of the country.

At the outset, allow me to say how pleased WCI is to be able to continue this dialogue with the Subcommittee. Over the past few Congresses, Waterways Council or our member companies have been privileged to testify on a number of occasions about the importance to the Nation of our inland waterway system and the serious modernization challenges facing that system.* My testimony today should be viewed in the context and as a continuation of that earlier testimony. Our message is straight-forward and, we believe, compelling: The Nation's inland waterways system, a pillar of this country's economic and social progress for two centuries, is in need of significant modernization investment, and the Capital Development Plan, jointly formulated by navigation experts from the U.S. Army Corps of Engineers and the inland waterway industry, is the way for that investment to proceed.

ANCHORED IN THE CONSTITUTION

When the Transportation and Infrastructure Committee met for its organizational meeting earlier this year, Chairman Shuster reminded everyone present about the central role that the inland waterway system has played in our Nation's history. From this country's earliest days, even before our Constitution was adopted, the inland waterways system was recognized as a priceless asset and a matter of fundamental federal responsibility and stewardship. The authors of our Constitution anchored the federal government's preeminent role in regulating navigation, both inland and coastal, in Article 1 Section 3's commerce clause, Article 1 Section 9's prohibition of preference among ports, and elsewhere in that seminal document. One of the first Congress' first

*See, for example, testimony before the Subcommittee on Water Resources and Environment of Stephen D. Little (April 30, 2008, April 15, 2010, and September 21, 2011), Michael J. Toohey (September 21, 2011), Mark Knoy (April 18, 2012), and Martin Hettel (April 18, 2012).

actions was enactment of legislation providing for federal upkeep of the new Nation's navigational aids. The U.S. Supreme Court has repeatedly upheld the federal government's preeminent role with respect to our waterways.

Congress has exercised its role in regulating and setting policy for the Nation's waterways through various legislative enactments over the years. In the previous century, periodic "Rivers and Harbors Acts" or "Flood Control Acts", which predominated in the first half of the century, were replaced by "Water Resources Development Acts" in more recent times. By whatever title -- Rivers and Harbors Act, Flood Control Act, or Water Resources Development Act -- Congress has consistently provided direction to the Executive Branch on how to properly use and how to protect our waterways for the benefit of the country.

WRDA IS NEEDED…NOW!

It has now been almost six years since the most recent Water Resources Development Act became law. Important water resources policy decisions are pending before this 113th Congress, and none is more important in Waterways Council's view than the need to re-design the way the U.S. Army Corps of Engineers manages the planning and construction of lock and dam modernization projects on the inland waterway system.

Because of our natural geographic bounty as well as the special foresight and enlightened investment decisions made by generations who preceded us, our nation is blessed today with the world's preeminent inland waterway transportation system. That system is made up of

approximately 12,000 miles of commercially active inland, including intracoastal, waterways. Of this total, nearly 11,000 miles comprise the "fuel-taxed portion" of the system, on which commercial operators pay a diesel fuel tax that is deposited into the Inland Waterway Trust Fund. This tax pays for half the cost of new construction and major rehabilitation of the fuel-taxed waterways' infrastructure, principally, locks and dams.

Nationwide, according to the U.S. Army Corps of Engineers, the fuel-taxed waterways include 207 lock chambers at 171 sites on 27 statutorily-designated inland rivers and intracoastal waterways system segments. The locks and accompanying dams allow users of all types, commercial and recreational, to stair-step their way through the system while being assured that the depths that those users require will be available as needed. Recreational users do not pay the diesel fuel tax that goes into the Inland Waterways Trust Fund.

Beyond enabling commercial and recreational transportation, the inland waterways system aids in flood control, enables a stable water supply for nearby communities and industries, provides hydroelectric power, offers recreation such as fishing and water sports, provides regional economic development opportunities, and enhances national security capabilities. Unlike commercial users, none of the other beneficiaries of the inland waterway system pays a fee to support modernization of the system.

While America's inland waterway system is the best in the world, it is not without challenges. Our country's international competitors have major efforts underway to enhance their own systems. More than half of the portion of the system that is operated by the Corps of Engineers is

now more than 50 years old. Some system segments, particularly the older portions located on the Upper Mississippi, Illinois and Tennessee Rivers, are sustained by outdated 600-foot-long locks that are unable to accommodate today's standard 15-barge tows without engaging in the inefficient and potentially dangerous procedure of "breaking" the tow into two sections in order to pass through the lock. These locks and dams require constant attention and financial support, both in terms of operations and maintenance funding to keep them reliably available to users throughout the year, as well as modernization funding to improve the system's efficiency and add to the nation's economic well-being and standard of living.

THE CURRENT APPROACH IS BROKEN!

Mr. Chairman, allow me to emphasize a key point made in earlier testimony before this Subcommittee by other witnesses representing the inland waterway industry. **The starting point for consideration of the financing and management challenges facing the inland waterway system must be recognition that the current business model for modernizing the nation's locks and dams is seriously broken and must be reformed.** As a nation, we seem to have lost the ability we once had to plan and construct individual inland waterway capital projects in a timely and cost-effective fashion.

Three short examples of current or recent travesties on the inland waterways illustrate this point.

McAlpine Lock and Dam. At Louisville, KY, a modern (1200-foot-long, 110-foot-wide) lock and dam project was constructed and placed in operation in 3 years, from 1959 to 1962. Four

years ago, in May of 2009, a second identical new 1200-foot-long, 110-foot-wide auxiliary lock was dedicated adjacent to the existing 1200-foot-long McAlpine Lock. The new lock took fourteen years to complete, more than four times as long as it took to complete the original project at the same location.

Olmsted Lock and Dam. Initial construction funding was provided by Congress in fiscal year 1991 for this Ohio River lock and dam replacement project that had been authorized by Congress three years earlier in WRDA 88 at an estimated cost of $775 million. Today, 22 years after that first appropriation for construction and with $1.5 billion already spent, the project is nowhere near completion and its estimated cost has almost quadrupled to at least $3.1 billion. Even if the project continues to receive every year what the Corps calls "full and efficient funding", as has been the case for years now, the Corps has estimated that Olmsted's construction won't be completed until late 2024, more than 33 years after the project's first construction appropriation.

Lower Monongahela River Locks and Dams (also referred to as "Locks and Dams 2,3, and 4, Monongahela River, Pennsylvania"). This lock and dam replacement project was authorized by Congress in WRDA 92 at an estimated cost of $556.4 million. Construction began in fiscal year 1995 and was projected then to be completed in December 2003. Today, twenty-one years after the project's authorization and eighteen years after its construction began, $532 million has been allocated to the project (through December 2012), but $1.2 billion more is still needed to complete what the Corps now estimates will cost $1.7 billion, an amount which can only be achieved if the project receives "full and efficient funding" every year going forward from today, which itself is an impossibility if Olmsted continues to receive the lion's share of Inland

Waterways Trust Fund resources for the next ten years until its completion. At this point, if something isn't done to rectify the situation, it appears that the Lower Mon project's construction won't be completed until the early to mid-2030's at a cost exceeding $2 billion. Forty years after the project's construction began!

Now, let me put this into context.

- The seven lock and dam modernization projects that were authorized throughout the country in WRDA 86 all were operational in a period of 4 to 8 years, with the average for all seven projects equaling 6.3 years.

- The entire Tennessee-Tombigbee Waterway project, the largest earth-moving project in history, saw all ten individual locks and dams and a 280-foot-wide channel spanning 234 miles be built in only 12 years from 1972 to December 1984, 21 months ahead of schedule.

- Following their 1930 Congressional authorization, 26 individual locks and dams on the Upper Mississippi River were built and placed in operation in the ten-year period that ended in 1940.

- Similarly, after being authorized in 1930, seven locks and dams were completed and opened to navigation on the Illinois River between its confluence with the Mississippi River and Chicago in a ten-year timeframe.

- All five new locks and dams on the Red River Waterway and the 225-mile-long navigation channel linking Shreveport-Bossier, LA to the Mississippi River were completed in the 21 years between 1973 and 1994.

Mr. Chairman, I can't say it better than last year's testimony of my friend and inland waterways colleague Mark Knoy. Where is the outrage? Where is the recognition that this great Nation cannot continue to sit idly by while the Olmsted travesty essentially stops progress on the rest of the national inland waterways modernization program for more than another decade? Where is the commitment to address this situation now, without further delay and without billions of dollars more in economic benefits to the Nation being washed down the river?

SOLUTION: CAPITAL DEVELOPMENT PLAN

There is a solution to this challenge, Mr. Chairman, that WCI and more than 200 organizations nationwide believe will set the country on a course of prudent modernization of our locks and dams. That solution, known as the Inland Marine Transportation System Capital Projects Business Model, or "Capital Development Plan" for short, was developed by a team comprised of experts from within the Corps and senior leaders of the inland waterway industry who spent nearly a year and a half addressing this challenge. We in industry undertook the mission of trying to formulate a consensus-based solution both because we know at our core how important the matter is and because you in Congress challenged us to do it. In developing the Capital Development Plan, we followed the team-based approach suggested to us by the Corps of

Engineers. The Corps-Industry team produced an extensive report that was unanimously adopted by the Inland Waterways Users Board on April 13, 2010 and transmitted to the Assistant Secretary of the Army for Civil Works and the Congress. This report lays out a comprehensive solution to our inland waterways infrastructure challenges and includes the following major features:

- A $7.6 billion 20 year program ($380 million/year) Capital Investment Program. On average, the industry would contribute $110 million per year and the federal government would contribute $270 million annually.

- A prioritized list of projects with an emphasis on finishing projects already underway and ensuring that funding is available to efficiently fund work.

- Future Corps estimates for project costs must have a confidence level of at least 80%.

- The Cost share for lock construction would remain 50-50, industry-federal. Major rehabilitation costs would be 100% federal unless greater than $100 million, in which case they would be cost shared 50-50, industry-federal. The current threshold of about $14 million is too low and can result in routine operations and maintenance items being cost shared with the industry thereby straining the Trust Fund and functioning in a way that is contrary to Congressional intent that O&M should be a 100% federal obligation.

- The Cost share for dam construction would be 100% federal instead of the current 50-50 cost share. As mentioned earlier, there are many beneficiaries of dams (water supply, electric utilities, recreation, etc.) but only inland navigation users are currently required to pay for part of the construction cost.

- Industry's exposure for project costs would be capped at 50% of the inflation-adjusted level set in a project's authorization document in order to protect industry from unreasonable cost increases and project delay (ex. Olmsted) and to incentivize the government to complete projects within budget.

- The industry's diesel fuel user fee would be increased by 30-45%, from the current 20 cents per gallon to 26 to 29 cents per gallon.

- Improvements would be made in the Corps of Engineers' project management and processes to better deliver completed modernization projects on time and within budget.

In the 113th Congress, the Capital Development Plan has been converted into legislation and introduced by Congressman Ed Whitfield (R-KY) and Congressman Dan Lipinski (D-IL). H.R. 1149, the Waterways are Vital for the Economy, Energy, Efficiency, and Environment (WAVE-4) Act of 2013 now has 10 bi-partisan cosponsors in the House of Representatives and has been endorsed by WCI and more than 200 organizations. We thank Congressmen Whitfield, Lipinski, and the other WAVE-4 cosponsors for their leadership and urge the members of this Committee

and the entire U.S. House of Representatives to support moving the Capital Development Plan forward in the Water Resources Development Act legislation you are developing.

COST OF FAILURE TO ACT

Mr. Chairman, suppose our country continues to ignore this situation? Suppose we continue to pretend that our locks and dams don't need to be cared for, that it doesn't matter how long it takes to build a new lock and dam project or how much it costs, or that our national economy doesn't really need the increased efficiencies that modernized projects will generate? Does any of that matter?

Two recent studies remind us, once again, that it matters a great deal.

Six months ago, the American Society of Civil Engineers (ASCE) released a new report on our national infrastructure, *Failure to Act: The Economic Impact of Current Investment Trends in Airports, Inland Waterways, and Marine Ports.* The ASCE report makes recommendations for repairing the broken financing model and paints a grim picture of our transportation future if we fail to act quickly. The report identifies a severe investment gap totaling $16 billion between now and 2020. U.S. Companies shipping goods to market will experience congestion and delays, leading to higher transportation costs, causing the price of goods to rise. As the price of U.S. goods rises, we become less competitive in the global marketplace. According to the report, there will be an estimated $270 billion decrease in U.S. exports by 2020. Roughly $1.3 trillion in business sales will be lost and our Gross Domestic Product (GDP) will plummet by a total $697

billion as a result. At a time when job creation is vital for the country's economic recovery, this suggests the lost opportunity to create 738,000 jobs in 2020 and a disposable personal income hit of $770 per year for each household.

Another report that preceded the ASCE report by a few months reached similar unacceptable conclusions. Titled *Cost of Project Delays: An Estimate of Foregone Benefits and Other Costs Related to Schedule Delays of Inland Waterways Projects,* the report was prepared for the National Waterways Foundation by HDR/Decision Economics "with a view to better understanding the societal cost imposed by chronic delays and schedule shippages of inland waterways projects." Among the conclusions reached by the HDR report was that continuation of the current inadequate $170 million per year investment for inland waterway modernization projects nationwide would result in a societal cost of $34 billion, much of which has already been lost.

The situation must be addressed! We cannot continue to pretend that failing to act to remedy this problem is an acceptable approach. We need the Capital Development Plan now!

Mr. Chairman, I'd be pleased to respond to any questions you or the Subcommittee Members have. But before I do, may I pose a few for all of us to consider?

First, why wouldn't all of us want to invest today in protecting and modernizing our inland waterway system infrastructure, which every year returns to the Nation's economy more than 10 times what we spend on it?

Second, in our ever-more-competitive global economy, where our Nation's economic competitors are investing vast sums to improve their transportation networks and waterway infrastructure, why would we in the United States knowingly allow our inland waterway system to continue to deteriorate?

And finally, what is it that makes it so difficult for Americans today to see what was so clear and compelling to our parents and generations of parents before them, that for this great Nation to have a future we must invest today and every day in its wealth-producing capacity, one pillar of which is and always has been our inland waterway system?

That concludes my testimony, Mr. Chairman. Thank you for giving me this opportunity to express these views.

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Testimony of Adolph N. Ojard

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Duluth Seaway Port Authority

Prepared for the
United States House of Representatives
Transportation and Infrastructure Committee
Subcommittee on Water Resources and Environment

Hearing: *"Foundations for a New Water Resources Development Act"*

April 16, 2013 – 10:00 a.m.
Room 2167 Rayburn House Office Building

Chairman Gibbs, Ranking Member Representative Bishop and Members, I want to thank you for the opportunity to provide testimony to the Committee on Transportation and Infrastructure's Subcommittee on Water Resources and Environment on the *Foundations for a New Water Resources Development Act (WRDA).* I am Adolph Ojard, Executive Director of the Duluth Seaway Port Authority.

I appear today as the U.S. delegation chairman of the American Association of Port Authorities, which represents the interests of the leading U.S. public port authorities as well as public port authorities throughout the western hemisphere from Canada to Argentina, including the Caribbean. My testimony today is on behalf of AAPA's U.S. public port members.

Since the WRDA bills are of critical importance to the health of the port industry, we appreciate the Committee's leadership in addressing the need to pass a Water Resources Development Act.

I believe WRDA 2013 will be landmark legislation, setting the course for 21st century maritime infrastructure by addressing navigation channel maintenance, streamlining processes and authorizing projects for efficient maritime freight movement. AAPA believes that WRDA should address three key areas that would result in real benefits for the nation. First is fixing the harbor maintenance tax to ensure that these revenues are fully used each year; second, the need to make the Corps of Engineers study and construction processes more efficient so we can meet demands for channel modernization in the future; and third, to get projects authorized and constructed to maintain the nation's competitive advantage in transportation cost savings resulting in jobs and economic vitality here at home.

International trade accounts for more than a quarter of the nation's GDP, and WRDA is essential to U.S. competitiveness in global trade. Over 95 percent of US overseas trade moves through America's seaports providing more than 13 million high-paying, family-wage jobs. The historic partnership between seaports and the Federal government finds its roots in the Commerce Clause of the U.S. Constitution and is the oldest and largest of all the Corps of Engineers' missions. That partnership has built much of the water-side infrastructure used today.

WRDA established the Harbor Maintenance Tax in 1986 to fund Federal deep-draft channel navigation operation and maintenance. The HMT is an ad valorem tax paid on the value of imports entering the U.S. and domestic cargo. Through the early 1990's the revenues were roughly equal to expenses, but there has been a growing inbalance between revenues and appropriations, with just over half currently being spent for its intended purposes. More than $1.6 billion in revenue was collected in fiscal year 2012, and the surplus in the Harbor Maintenance Trust Fund has grown to more than $7 billion dollars. The low appropriations have resulted in an undermaintained system in which channels are not being maintained to their constructed depths and widths despite adequate taxes being collected. Eight of the top 10 U.S. ports presently have depth or width restrictions resulting in safety risks of groundings and cargo spills and economic risks of light-loading ships which increases transportation costs, impacting the competitiveness of U.S. exports in the global marketplace and the cost of imported goods to U.S. consumers and manufacturers.

Ports and the Federal government must maintain existing infrastructure while preparing for the reality of larger ships. U.S. public ports and their private sector partners are doing their part, funding the lion's share of port-related infrastructure improvements. According to AAPA's most recent survey, ports and their partners will invest more than $46 billion over the next five years. However, increasingly we find that the Federal partner is not upholding its part of the bargain in funding channel maintenance/improvement projects. As a result, this negatively impacts jobs, economic growth and U.S. competitiveness.

This problem was highlighted in the American Society of Civil Engineers (ASCE) report issued last fall entitled "*Failure To Act: The Economic Impact of Current Investment Trends in Airport, Inland Waterways and Marine Ports Infrastructure.*" This report concluded that aging infrastructure for marine ports, inland waterways, and airports threatens more than one million U.S. jobs. We cannot let that forecast become a reality.

ASCE's 2013 recent report card for America's Infrastructure rated Port Infrastructure a 'C', which is essentially an averaging of the relatively good state of infrastructure at port facilities with the inadequate condition of navigation channels and freight connections due to Federal underinvestment.

AAPA has been actively preparing for the next WRDA bill to address the investment and process changes needed to keep U.S. maritime infrastructure world class. AAPA has worked with the Assistant Secretary of the Army and the Army Corps of Engineers through a Quality Partnership Initiative to address issues slowing the project planning and construction processes. Those issues needing legislation have been identified by AAPA and our recommendations are described below.

It has been 26 years since enactment of the landmark WRDA '86 legislation which laid out a sustainable, self-funded plan to maintain our deep-draft navigation system based on revenues from port users. The vision and plan outlined in WRDA'86, however, has not been achieved due to the underspending of the HMT Trust Fund. Concerns have also been raised about the need to provide more equity to donors, as well as ensure that the U.S. tax policy does not disadvantage U.S. ports.

To address these concerns, AAPA recently convened a task force to develop a set of guiding principles in regard to the Harbor Maintenance Tax and waterside port modernization. We urge the Committee to consider these principles when drafting legislation.

- **Principle 1** – AAPA advocates for full use of all HMT revenues.
- **Principle 2** – Funding from HMT revenues first should be used for historical intended purposes, ensuring: 1) all Federal navigation channels are brought up to and maintained at their constructed depths and widths; 2) needs are met for disposal of maintenance dredged material and construction and maintenance of confined disposal facilities; 3) jetties and breakwaters are properly maintained, and 4) related studies and surveys are funded.
- **Principle 3** – AAPA is supportive of providing more equity for HMT donors.
- **Principle 4** – U.S. tax policy should not disadvantage U.S. ports and maritime cargo.
- **Principle 5** – The U.S. must have a process to efficiently study and construct deep draft navigation projects.
- **Principle 6** – The cost-share formula for maintenance and deepening should be reflective of the current cargo fleet.

MAP-21 included some full-use language to address Principle 1 above, but as we saw in last week's release of the President's budget, the Adminstration did not follow that recommendation and did not include full use of the HMT revenues. WRDA is the next avenue to resolve this problem and ensure full use permanently.

WRDA also is an opportunity to speed up the planning and project development processes to allow our nation to move quickly to address the needs of the future. The Corps needs to have flexible authorities available. We can no longer take decades to respond to economic opportunities that occur. The nation loses jobs and economic opportunities in the process of waiting. AAPA has developed a specific list of policy and efficiency measures we believe need to be enacted to enhance the Nation's international competitiveness.

Among the needed policy changes are: process streamlining/updating to save years in the project study/authorization process and increase flexibility for greater sponsor participation in up-front project financing when desired or needed; regulatory streamlining to make permanent section 214 - acceptance of contributed funds for dedicated regulatory support; proper resourcing of the Navigation Center of Expertise to improve the method of delivery and report progress to Congress; and updating the 26-year-old cost-share formula to reflect the current world shipping fleet. Additional specifics on these recommendations are provided as an attachment to this written testimony. In terms of streamlining, AAPA is also opposed to a continuation of the outside peer review process established in WRDA 2007. The pilot program has shown no evidence of bringing new information to light, but did result in increased costs.

WRDA legislation establishes critical milestones for projects to proceed to authorization and construction, with three gatekeeping actions – Initial Resolution, Start Feasibility and Project Authorization for construction. The length of time between WRDA laws -- 2000, 2007 and now 2013 -- negatively impacts timely processing of these investment decisions. The earmarks mortatorium is further complicating this process, as other pieces of legislation such as appropriations bills can no longer be used in years where there is no WRDA. We urge the Committee to find solutions to enable the water resources planning and authorization process to proceed in a timely manner.

Finally, we commend the Committee leadership for recognizing the nexus between water resources development and economic prosperity. Especially in these challenging fiscal times, Federal investments in port-related infrastructure are an essential, effective utilization of limited resources, paying dividends through increased trade and international competitiveness, sustainable job creation and more than $200 billion annually in local, state and Federal tax revenues. We urge you to develop and pass a Water Resources Development Act at the earliest possible time.

WRITTEN TESTIMONY TO THE HOUSE SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT ON "FOUNDATIONS FOR A NEW WATER RESOURCE DEVELOPMENT ACT"

Dr. Christopher J. Gobler

April 16th 2013

Mr. Chairman and members of the Subcommittee. My name is Christopher Gobler. I am a professor within the School of Marine and Atmospheric Sciences at Stony Brook University in New York where I am the Director of Academic Programs on the Stony Brook - Southampton Campus, Director of the Shinnecock Bay Restoration Program, and Director of the Stony Brook-Southampton Coastal and Estuarine Research Program. I have been actively involved in marine ecosystem research for more than two decades.

I am here today to provide prospective regarding the aspects of the Water Resource Development Act that deal with ecosystem restoration, specifically shoreline protection, flood damage reduction, aquatic ecosystem restoration, and improvement of water quality. These are all projects that seek to protect and enhance a critical, national resource: coastal bays and estuaries. To illustrate this point, I offer the following statistics. 70% of the US population lives within 50 miles of the coast. These regions support more than 69 million jobs, generate half the nation's Gross Domestic Product, protect almost $2 trillion in annual trade, and provide more than $200 billion annually in leisure and hospitality jobs. 75-90% of the fish constituting US fisheries spend some or all of their lives in these coastal zones and these fisheries were worth more than $100 billion to GDP in 2003. Unfortunately, during the past half century, many of the nation's coastal zones have experienced a depletion of coastal fisheries and losses of key habitats that have, in turn, had severe negative consequences for coastal ecosystems and economies. In such regions, projects that restore coastal habitats and fisheries are needed to help estuaries remain healthy and functioning and to build economies. Returns dollars invested in coastal ecosystem restoration projects can be as high as 6-to-1, providing jobs at a rate that exceeds many other industries.

I will first address the issue of shoreline protection and flood damage reduction specifically as it relates to Hurricane Sandy. The shorelines of NY and NJ were devastated by Hurricane Sandy and many communities have been changed forever by this event. One important lesson learned from this storm is the identification of the types of ocean front environments that were most resilient to storm surge. In their natural state, the barrier islands along NY, NJ, and 75% of the US East and Gulf Coasts are lined with well-vegetated dunes on their ocean sides and comprised of intact salt marshes on their bay-sides. As such, these barrier islands provide erosion protection from breaking ocean waves as well protection from bay flooding. During Hurricane Sandy, ocean front communities that had constructed artificial and harden structures such as boardwalks, hotels, and other buildings directly on the ocean without a natural dune - marsh

system, experienced catastrophic losses. In contrast, communities with natural or augmented dune-marsh systems fared well. For example, the estuary on Long Island's south shore that had the strongest and most intact dune-marsh barrier island system, Shinnecock Bay, was the only bay that was not breached by the ocean and experienced only minor damage compared to other NY-NJ regions. Closer to New York City, regions with dunes such as Point Lookout and Lido Beach fared significantly better during Sandy than the adjacent Long Beach community which had no dunes and was devastated. While this was the Sandy experience, I emphasize, again, that 75% of the US East and Gulf Coasts have barrier islands quite similar to those I described in NY-NJ. Therefore, ecosystem restoration projects that seek to enhance, reestablish, or rebuild ocean dunes *and* salt marshes may be some of the best preventative and cost effective measures to protect US coastal communities particularly in the face of storms and sea level rise that will intensify with climate change this century. I will emphasize that many prior barrier island restoration project have focused on the ocean front alone with little consideration of the bay side of barrier islands. We now know that a more holistic restoration approach that encompasses both ocean front dunes and bay-side salt marshes will maximize the resiliency of barrier islands against storm surge.

Next, I will emphasize coastal ecosystem restoration projects that seek to enhance water quality and coastal fisheries. During the past half century, many coastal zones have suffered the dual assault of overfishing of key species such as bivalve shellfish and the overloading of nutrients emanating from urban centers and/or agriculture. These two processes (overfishing and nutrient overloading) can lead to the initiation of harmful algal blooms that can threaten human health and marine life and to the direct loss of key marine habitats such as seagrass meadows and salt marshes. These processes also negatively impact fisheries directly through mortality events (e.g. fish kills and/or low oxygen) or indirectly via the loss of critical habitat such as breeding or nursery grounds. Recognizing these trends, efforts have been made nationally to stem the flow of nutrients to coastal waters. In addition, ecosystem restoration projects are restocking bivalves and replanting habitats such as seagrasses. For example, as Director of the Shinnecock Bay Restoration Project, my team is seeking to stock and rebuild populations of oysters and clams. These populations will, in turn, filter bay waters to keep algal blooms in check. Concurrent efforts to replant seagrasses will benefit oysters and clams populations as well as fish populations by providing key habitat. Ultimately, such efforts will be of economic benefit as fisheries rebound and tourism improves. In addition, some bivalve restoration efforts, such as the construction of oyster reefs, can assist in mitigating storm surge. While such ecosystem restoration efforts have not traditionally been included within the Water Resource Development Act, I believe they warrant inclusion in the future.

Lastly, it will be important that future any Water Resource Development Act embraces a landscape scale, system-wide approach when authorizing projects. In the past, projects have often been individually authorized, leading to scenarios whereby only part of a coastline is saved

from storm damage or, even worse, part of a coastline saved by a restoration project is damaged by regions that were not restored. Alternatively, there have been cases where restored regions cause additional damage to regions that have not been restored. Going forward, it will be important that regions are considered on the largest scale possible, an approach that will maximize the benefit of ecosystem restoration projects. In many cases, development of such large scale approaches will required integrating efforts of the Army Corps with those of state and local agencies, as well as academic institutions. Traditionally, federal contracting requirements and acquisition rules have made collaboration between the Army Corps and academic institutions difficult. Approaches to simplify this process and maximize this collaboration would be of benefit to future ecosystem restoration plans.

In light of this all of information, passage of a new Water Resource Development Act with specific authorization to restore coastal dune and wetland systems would be of great benefit to the nation. While the Hurricane Sandy Supplemental bill will help address some ecosystem restoration projects in NY and NJ, the restoration needs across this nation are great. There are presently over a dozen environmental restoration projects that have completed Chief Reports and are ready to be authorized, funded, and constructed. These include environmental restoration projects for beach, dune, and barrier island restoration, including projects associated with the Mississippi Coastal Improvement Program; the Everglades; Louisiana Coastal marshes, Louisiana Shoreline restoration; Biscayne Bay coastal wetlands; and coast-wide beach and dune restoration efforts in Alabama. Executing these projects will be of great economic and environmental benefit to this country. They will provide protection for our coastal communities and environments while providing jobs and multi-function opportunities for better management of our water resources.

Thank you for your attention and I look forward to your questions.

NATIONAL
WATERWAYS
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Before the
United States House of Representatives
Committee on Transportation and Infrastructure
Subcommittee on Water Resources and Environment

Hearing on the Foundations for a New Water Resources Development Act
Tuesday, April 16, 2013
10:00 AM EST
2167 Rayburn House Office Building

Introduction

Chairman Gibbs, Ranking Member Bishop, and distinguished members of the House Water Resources and Environment Subcommittee, thank you for the opportunity to be here today to discuss the "Foundations for a New Water Resources Development Act."

My name is Amy Larson and I am the President of the National Waterways Conference. The Conference would like to thank Chairman Gibbs for his leadership, as well as Ranking Member Bishop and this Committee, for its long tradition of cooperation and collaboration in addressing the nation's critical water resources needs.

Established in 1960, the Conference is the only national organization to advocate in favor of national policy and laws that recognize the vital importance of America's water resources infrastructure to our nation's well-being and quality of life. Supporting a sound balance between economic and human needs and environmental and ecological considerations, our mission is to effect common sense policies and programs, recognizing the public value of our nation's water resources and their contribution to public safety, a competitive economy, national security, environmental quality and energy conservation. Conference membership is comprised of the full spectrum of water resources stakeholders, including flood control associations, levee boards, waterways shippers and carriers, industry and regional associations, port authorities, shipyards, dredging contractors, regional water supply districts, engineering consultants, and state and local governments. In that regard, our membership is keenly interested in the enactment of comprehensive water resources legislation and we look forward to working with the Committee as we move forward in this process.

As this Committee well knows, reliable, well-maintained water resources infrastructure is fundamental to America's economic and environmental well-being, and is essential to maintaining our nation's competitive position within the global economy. Our water resources infrastructure provides life-saving flood control, needed water supplies, shore protection, water-based recreation, environmental restoration, and hydropower production, essential to our economic well-being. Moreover, waterways transportation is the safest, most energy-efficient and environmentally sound mode of transportation.

Water Resources Policy At a Crossroads

As the Congress considers comprehensive water resources legislation, the nation is at a crossroads on the issues of how to both authorize and fund critical water resources projects. Much attention has been given in the past few years to the use of Congressionally directed spending, or earmarks, for all federal spending decisions. Efforts in Congress to eliminate wasteful spending are laudable, especially important given today's fiscal challenges and necessary to maintain the public's trust. However, deferring all decisions to the Executive Branch, particularly as they relate to water resources projects, represents a fundamental change to the way this country has established its priorities. Congress has traditionally asserted its constitutional prerogatives, including the lawmaking power generally and the power of the purse specifically, to determine which projects to initiate, which should receive funding, and the level and priority of funding for each. This self-imposed limit on project-specific directives and funding levels represents a fundamental abdication of Congress's constitutional role. Such action has resulted in the stoppage, interruption and delay of critical projects.

By necessity, the Executive Branch has filled the vacuum left by the Congress. That is problematic for reasons that go beyond upsetting the balance of power between branches of Congress. The Administration's priorities, as reflected in the Budget, have seldom been set through an open, deliberative process as have those that have withstood the heavy scrutiny of the congressional committee system. Permanently adopting in WRDA such a system would result in centralizing all water resources decision-making, excluding the input of both stakeholders and their elected officials from the process of establishing federal priorities. Such a system would undermine the very foundation and integrity of the nation's civil works program.

Projects such as those undertaken by the U.S. Army Corps of Engineers are different from other Federal programs in several respects: each project is formulated separately to address a separate and discrete problem, taking into account site-specific factors including population, local social and economic needs, topography and hydrology, and natural resources; projects are individually considered and recommended by the Administration and are authorized separately by the Congress based on the benefits accruing from each one; each project comprises a separate and distinct Federal investment decision generally independent of other projects and is, therefore, subject to individual appropriations; and, each project also comprises a separate and distinct non-Federal investment decision since non-Federal sponsors agree to pay significant portions of project costs.

Water resources projects are scrutinized, arguably, to a greater extent than any other capital investment program in the government through highly detailed studies. Proposed projects are subjected to comprehensive analyses using merit-based criteria, an integral component of which includes extensive public involvement wherein public input is widely sought and incorporated at frequent intervals. The Water Resources Development Act of 1986 imposed

significant increases in non-Federal cost-sharing and other items of local cooperation, and the 1996 WRDA increased these non-Federal cost-sharing responsibilities still further. The water resources project approval process was strengthened in WRDA 07 through a series of reforms, including the requirement that each project be subjected to an external independent peer review.

Historically, Congress authorizes projects that meet very rigorous tests, specifically, those that survive very detailed analyses and which non-Federal governments support through contributions of substantial shares of project costs. These decisions have been made in a collaborative manner, subject to a consultative, deliberative process, involving all stakeholders – and their representatives. As the Congress grapples with significant fiscal challenges, including how to avoid the earmark abuses of the past, we would respectfully suggest that this Committee, by means of its open and deliberative process, and whose members have the benefit of first-hand knowledge of the importance of particular projects to their states, is the appropriate forum in which to make these major investment decisions, and we would encourage the Congress to reconsider how this country invests in the nation's water resources infrastructure.

Investments in water infrastructure projects are investments in our nation's long-term security. Our nation simply cannot afford the negative economic impacts, the diminished export capabilities and the detriment to our way of life that surely would result if we fail to continue these investments. The Congress has a vital role to play in these important – and independent – investment decisions and should assure that the decisions are reached through an open and inclusive process where the needs and priorities of all are considered.

Inland Waterways

Our inland waterways serve as the backbone of the nation's transportation system, ensuring domestic and international trade opportunities, and low-cost, environmentally sound movement of goods. More than 600 million tons of cargo – including agricultural products, petroleum, chemicals, coal, iron, steel, and other raw materials – move on the waterways at a cost that is typically 2 to 3 times lower than other modes of transportation, translating into an annual savings of $7 billion for America's economy. A typical 15-barge tow carries the equivalent of 216 rail cars or 1,050 large semi tractor-trailer trucks, and generates fewer emissions than the other modes.

As this Committee knows, ensuring the reliability of our inland waterways is essential to maintaining the nation's economic and environmental well-being and competitive position in the global economy. To that end, we generally support the proposed reforms to the project delivery process applicable to the construction and major rehabilitation of the nation's aging locks and dams, based upon the Capital Development Plan endorsed by the Inland Waterways Users Board. The details of many of the proposed reforms would need to be further clarified and refined, including what kind of formal training and certification would be required for project managers, on what basis the Chief of Engineers would certify project managers, and the duties and responsibilities of the users board representative appointed to serve on a project development team. We would recommend that the Secretary be directed to consult with the Users Board in implementing these requirements. We would also recommend that the required report on the study, design or construction of navigation projects be semi-annually rather than quarterly, given the various provisions elsewhere in the draft legislation concerning both the need to streamline

the planning and project delivery process along with the possible imposition of additional burdens prolonging the process.

Integral to the project delivery reforms is the need to ensure sufficient funding for these important projects. In addition to the revenue increase proposed by the Inland Waterways Users Board, we are giving careful consideration to other proposals under development to enact a long-term funding solution to ensure the continued reliability of the nation's inland waterways. It is important for the inland waterway system to function as an integrated system. Efforts to prioritize funding and raise revenue must not disrupt the proper functioning of the system as a whole. It is not surprising, of course, that it can cost more dollars per unit of cargo to build, operate, and maintain the tributary elements of the inland waterway system. There are inherent capacity limits on the smaller rivers, and some require locks and dams and channel maintenance to maintain their viability. However, if that factor is the primary basis to determine civil works funding decisions, let there be no mistake that the effect will be the slow death of some of our tributary systems. For the waterways to continue to fuel import and export activities, the Congress should look beyond mechanical, simplistic formulas. We should not ask what we need to do to keep the waterway system alive; rather, we should ask how best to harness the power and convenience of the waterways to generate jobs and improve our way of life.

Revitalization of the Inland Waterways Trust Fund, together with the reforms to the Harbor Maintenance Trust Fund discussed below, would position America's ports and waterways to take advantage of the tremendous opportunities offered by the Panama Canal Expansion.

Harbor Maintenance Trust Fund

The nation's ports and harbors are critical components of our transportation infrastructure, and regular maintenance is required to ensure their efficient use. The Harbor Maintenance Tax is intended for that specific purpose, and annual revenues from the tax are generally about $1.5 billion annually. However, only about half of the revenue collected is used for its intended purpose.

As a consequence, the nearly 1,000 federal ports and harbors have not been adequately maintained, and indeed, those ports that handle nearly 90 percent of commercial traffic are dredged to their authorized depths and widths only 35 percent of the time. This chronic failure to provide sufficient funding has resulted in channels getting narrower and shallower due to inadequate dredging, which has resulted in ships having to light-load, increasing the cost of shipping, the risk of vessel groundings, collisions, and pollution incidents.

With 13 million jobs and $4 trillion in economic activity dependent on these ports and harbors, we cannot let them fall into further disrepair. Because waterborne transportation is often the least expensive means of transporting vital commodities and goods, maintaining this essential infrastructure bolsters our economic competitiveness and strengthens the economy.

We strongly support legislation that would ensure that the revenues collected into the Harbor Maintenance Trust Fund are used for their intended purposes. We agree that the proper expenditure of such receipts should not result in a reduction in funding for other projects and programs in the Corps of Engineers' civil works program. We would further caution against any expansion of the activities that would be eligible for funding under this proposal until such time as there is a mechanism that ensures that the revenues collected will be used for the intended

purposes. Otherwise, simply shifting the already scarce resources in a chronically underfunded program would only serve to further undermine the stability of our critical water resources infrastructure.

Levee Safety

We support the establishment of a comprehensive levee safety program, and as a starting point for discussion, refer to the draft recommendations made to Congress by the National Committee on Levee Safety (NCLS) in its 2009 report.

The importance of well-built and well-maintained levees cannot be understated. Levees are both abundant and integral to economic development and flood risk reduction in hundreds of large and small communities, industrial zones, urban areas, agricultural regions, and vitally strategic zones around the United States. The National Committee on Levee Safety estimates that tens of millions of people live and work in leveed areas. By some estimates, nearly 50 percent of Americans live in counties with levees or related flood protection infrastructure. Corps of Engineers' levee systems provide a 6:1 return ratio on flood damages prevented compared to initial costs, and the Mississippi River and Tributaries system provides a 44:1 return on investment ratio.

Levees also serve an important role in our nation's energy framework by protecting many power plant facilities, as well as the oil, gas and petrochemical industries along the Texas and Louisiana Gulf coast and the agri-business economy throughout California's Central Valley, the Mississippi Delta Region and the Midwest. Well-conceived levees, floodwalls and appurtenant infrastructure protect fire and police departments, hospitals, and schools. They are

critical to the viability of our overall public infrastructure network, protecting other infrastructure, including roads, bridges, railroads, port facilities and wastewater treatment plants.

Levee infrastructure, like our aviation, water and wastewater, transit, dams and waterways transport, is in need of attention. Effective and improved management of levees is necessary for the continued enjoyment of the economic, societal and cultural benefits yielded by this public works investment. A critical first step to the establishment of a successful levee safety program would be the one-time inventory and inspection of all known levees across the United States, including non-Federal program levees. The baseline information garnered from such an inventory, including much of the non-federal stock of levees, should then be included and maintained in an expanded national levee database in order that critical safety issues, true costs of good levee stewardship, and the state of individual levees can inform priorities and provide data for needed assessments and decision-making.

A levee safety program should, at its threshold, provide for clarification of Federal and non-Federal roles, recognizing that U.S. Army Corps of Engineers' project involvement is driven by economic return (NED benefits); and state, regional and local authorities maintain plenary responsibility for life safety and/or landside risk reduction measures such as evacuation, land use practices, building codes, and risk communication. As such, a levee safety program must not impose top-down Federal mandates, but must instead recognize that the states and Indian tribes are uniquely positioned to oversee, coordinate and regulate local and regional levee systems. The establishment of new federal standards, panels or commissions would be especially harmful in the absence of meaningful, cost-shared Federal funding for Fed-built levee infrastructure. Thus, any levee safety guidelines developed pursuant to the legislation must appropriately accommodate place-based variation and preserve state and local government prerogatives, so that

such guidelines could properly serve as a "guide" for states, but the decisions on whether to adopt and implement should be left to the discretion of the states. Further, any such guidelines called for by a WRDA should be developed through an open and transparent process, consistent with the public notice and due process requirements of the Administrative Procedure Act.

Given the critical importance of levees throughout the country, we support the appointment of an administrator of the levee safety program, within the Corps of Engineers, whose sole duty is the management of that program, as recommended by the NCLS report. We also appreciate the intent behind the recommendation to establish a National Levee Safety Advisory Board to provide advice on consistent approaches to levee safety, to monitor levee safety and to assess the effectiveness of the national program. However, given the fiscal constraints facing the nation, we believe it would be premature to stand up the Board before completion of the inventory and inspection of the nation's levees. The results of the inspection, which will increase our understanding of levee system locations, conditions, and the national flood risk situation, could then be used to determine whether such a Board is necessary, and if so, to help frame and focus its work.

We have heard suggestions calling for an assessment of the possibilities for alignment of Federal programs to provide incentives and "disincentives" to promote shared responsibility for levee safety and to encourage the development of strong levee safety programs. While we support efforts to enhance levee safety, we are concerned about what possible "disincentives" might be contemplated by this directive. We cannot penalize people who live in communities near the water or behind levees. Rather, we should fully identify and assess the problems through completion of the inventory discussed above, and then work through an open, informed,

systematic approach to bring deficient flood control structures to a level of protection we can live with and afford.

It should not be the policy of the United States to discourage existing and future economic activity in areas protected by sound levees, dams and other flood control infrastructure. Many of our Nation's most fertile lands and economically strategic assets lie in areas now protected by well-conceived levees and dams. Rather than identify disincentives that would result in significant economic harm, we would instead suggest the adoption of incentivized approaches to provide direct assistance and conditional flexibility to "good actor" communities who are diligently working to bring their deficient levees into compliance with changed Federal requirements. In this regard, we would support a directive and adequate funding to compel the Corps of Engineers to reverse its 2008 policy that ended Federal certification at Fed-built levees. Similarly, we support efforts to address USACE Vegetation Management Policy that compel the agency to account for peer-reviewed scientific findings, project-specific variables, and multi-purpose demands in its VFZ variance procedures. Finally, we have grave concerns about unintended consequences associated with the proposed Hazard Potential Classification System and administratively formed Levee Safety Action Classification. We understand the intent to identify populations and property at risk in the event of catastrophic infrastructure failure, but are concerned about collateral impacts to jobs, property values and area reinvestment associated with summary dissemination of forecasted government information.

Policy Reforms

WRDA provides numerous opportunities to reform and update various policies, accelerate the Corps' planning and project delivery process, and enhance the role of the non-Federal sponsor in project development. While more attention tends to be on waterways and levee issues, this is also an opportunity to enhance hydropower productivity and address critical reservoir management challenges.

The U.S. Army Corps of Engineers' (USACE) planning process, set forth in its Planning Guidance Notebook, ER 1105-2-100, is based upon the Principles and Guidelines (P&G) promulgated in 1983, along with numerous laws applicable to the Corps' missions and the Civil Works program. The P&G were set forth to provide for the formulation of reasonable plans responsive to National, state and local concerns.

The Principles and Guidelines state that the Federal objective of water and related land resources planning is to contribute to national economic development consistent with protecting the Nation's environment, in accordance with national environmental statutes, applicable executive orders, and other Federal planning requirements. In general, the plans recommended for implementation are to reasonably maximize net national benefits.

The Planning Notebook sets forth a six-step process established in the P&G to provide for a structured approach to problem solving, utilizing a rational framework for sound decision making. The six steps are: Step 1 - Identifying problems and opportunities, Step 2 - Inventorying and forecasting conditions, Step 3 - Formulating alternative plans, Step 4 - Evaluating alternative plans, Step 5 - Comparing alternative plans, Step 6 - Selecting a plan.

The six steps are explained in great detail in the Planning Notebook. On top of the requirements contained therein, Corps' studies are also subject to an extensive systematic review process. This includes internal reviews, including quality control and agency technical reviews; external reviews, including National Environmental Policy Act reviews, independent external peer reviews, and state and agency reviews; and other policy and legal reviews.

Overall, the process is extraordinarily rigorous and thorough, indeed to a much greater degree than is found in any other example of infrastructure planning. However, the process has grown to being overly burdensome, resulting in it becoming impracticable. For instance, current requirements have accreted due to the growth of law and policy, as a result of legal and technical challenges, and with individual requirements added to address some sort of shortcoming identified in a previous project.

To streamline this overly burdensome process, the Corps has implemented its "3x3x3" program, so that feasibility studies would be completed in no more than 3 years, at a cost of no more than $3 million, and three levels of engagement. We applaud this effort, and would also recommend that as the Corps continues to refine its planning process, it develop additional guidance on what elements can be eliminated from the current process and still produce a valuable study, because simply mandating a shorter time-frame and a lower cost will not reform the process. We would caution, though, imposing a statutory requirement to complete studies within 3 years irrespective of the availability of funds, previous statutory requirements, new requirements, and without consideration of the appropriate scope of a study (including economic, environmental and engineering requirements), would undermine the planning process rather than improve it.

In that regard, the WRDA recently moved by the Senate Environment and Public Works Committee, S.601, includes provisions to streamline the extensive environmental review requirements needed to advance critical projects. Modeled after similar provisions in last year's MAP-21 transportation reauthorization, sections 2032 and 2033 provide much-needed authority to streamline requirements, avoid unnecessary duplication and coordinate the activities of various agencies that may be involved in any particular project. We would support such streamlining provisions as this Committee considers a WRDA.

While efforts like the aforementioned are significant first steps to reduce the time and expense of projects studies, we would caution that as this Committee considers other policy "reforms," such proposals must be considered through the lens of the benefits that would be realized compared to the additional cost and delay they would impose. For instance, provisions in S.601 to extend by five years the independent peer review provisions contained in WRDA 2007 and impose additional reporting requirements on the Chief of Engineers, and proposals to modify the safety assurance review provisions of WRDA 2007 would both impose additional cost and time on Corps' feasibility studies, without increasing their efficiency. In addition, efforts to implement policy reforms intended to address specific, discrete problems are undermined by the earmark moratorium, as implementing language would grant broad, sweeping authority that could be interpreted as significantly expanding the Corps' authority in ways that are beyond, or even contrary to, the Corps' mission. (See, e.g., Section 2013, Implementation of Biological Opinions, as introduced).

Alternative Financing Provisions and Pilot Programs

Numerous concepts and ideas to finance needed infrastructure improvements are currently under discussion in various fora, including within the Corps of Engineers, among the stakeholder community, and indeed within this committee. There is a growing understanding that Federal appropriations will not be sufficient to construct and maintain the nation's important water resources projects and that other sources of revenues will likely be needed in the future. Such ideas include public-private partnerships, Federally-guaranteed loans, increased user fees, and reinvestment of certain user fees back into their projects, including, for instance, hydropower and recreation fees, instead of making deposits in the general Treasury.

As these concepts are further developed and refined, it is important to note that, in keeping with the complexity and difficulty of the issues before us, there is not a one-size-fits-all solution to address these financing challenges. Rather, a variety of options will be necessary. Such solutions should allow for greater flexibility during in all phases of a project, as well as provide for increased involvement of non-federal sponsors. This would include, for instance, allowing non-federal sponsors to serve as project managers, to contribute additional funds towards projects, and receive various credits for in-kind work and in lieu of reimbursement.

We also strongly urge the Congress to make Section 214 of the Water Resources Development Act of 2000 (P.L. 106-541) permanent. That provision allows the Secretary of the Army to accept funds from non-Federal public entities, like ports, to hire additional regulatory staff to expedite the permitting process. It not only reduces permit wait times for the funding entity, but for any individual or organization that makes an application with that District of the Corps. Section 214 authority, currently used by over 41 public agencies in 20 Corps districts,

has allowed local governments to move forward with vital infrastructure and ecosystem restoration projects.

In addition to the importance of finding solutions to address the growing backlog of project development and constructions cost, it is similarly important to adequately maintain these investments. One solution I'd like to highlight was developed to address the $100 million backlog of critical maintenance along the 445-mile long McClellan-Kerr Arkansas River Navigation System that extends through the entire State of Arkansas and into Oklahoma. A bi-state organization of port and terminal interests called the Arkansas-Oklahoma Port Operations Association entered into a formal partnership with the U.S. Army Corps of Engineers to address navigation maintenance and funding issues and to mutually work towards solutions. Especially important is the formation of an emergency response program that will enable the non-federal interests to provide labor, materials, machinery and money on a joint operational basis to expedite fixing a problem that could otherwise take months to resolve due to the lack of these resources on the federal side. This initiative may avoid lengthy waterway shutdowns saving millions of dollars per day to agriculture, manufacturing, and transportation sectors that would otherwise result from a navigation shutdown.

Conclusion

Thank you for the opportunity to appear before the Committee today to discuss the foundations for a Water Resources Development Act. We look forward to working with the Committee as it is moves forward with developing this important legislation.

Testimony of Great Lakes Maritime Task Force
Subcommittee on Water Resources and Environment
Hearing on The Foundations for a New Water Resources Development Act
Tuesday, April 16, 2013
2167 Rayburn House Office Bldg.

Thank you Chairman Gibbs for the opportunity to provide written testimony to the record of this hearing.

Founded in 1992, Great Lakes Maritime Task Force promotes domestic and international shipping on the Great Lakes. With 87 members, it is the largest coalition to ever speak for the Great Lakes shipping community and draws its membership from both labor and management representing U.S.-flag vessel operators, shipboard and longshore unions, port authorities, cargo shippers, terminal operators, shipyards, and other Great Lakes interests.

Every Great Lakes state benefits from the cargos that move on the Great Lakes. A recent study found that shipping on the Great Lakes-St. Lawrence Seaway System creates and sustains more than 128,000 jobs in the eight Great Lakes states.[1] Listing them alphabetically, the state totals are as follows:

Illinois	7,177
Indiana	48,331
Michigan	26,820
Minnesota	6,271
New York	1,967
Ohio	28,081
Pennsylvania	854
Wisconsin	8,777
Total	128,278

The environment is another major beneficiary of Great Lakes shipping. A recent U.S. Army Corps of Engineers (Corps) report determined that a Great Lakes freighter travels 607 miles on one gallon of fuel per ton of cargo, but a train travels only 202 miles on one gallon of fuel per ton of cargo.[2] Trucks perform even worse, traveling a mere 59 miles on one gallon of fuel per ton of cargo.

Ships and tug/barge units are also vastly superior in terms of emissions. Again citing the Corps report, a cargo of 1,000 tons transported by a Great Lakes freighter produces 90 percent less CO^2 than had the cargo moved by truck, and 70 percent than had a train moved the cargo.

Another tremendous benefit of Great Lakes shipping is efficiency. The Corps estimates that waterborne commerce annually saves its customers $3.6 billion compared to the next least costly mode of transportation.

[1] The Economic Impacts of the Great Lakes-St. Lawrence Seaway System by Martin Associates, October 18, 2011.
[2] Great Lakes Navigation System: Economic Strength to the Nation, February 2009.

With all those pluses, one would expect all is well on the Lakes. Unfortunately, the Great Lakes Navigation System is in shambles. Decades of inadequate funding for dredging have left more than 18 million cubic yards of sediment clogging ports and waterways. The woefully inadequate dredging appropriation for FY13 will add another million cubic yards of sediment to the backlog.

A second Poe-sized lock at Sault Ste. Marie, Michigan, authorized 27 years ago, remains un-built and, as a result, a single accident or mechanical failure could bring Great Lakes shipping to a virtual standstill.

Most breakwalls are more than 50 years old and in decrepit condition. The storms that followed Hurricane Sandy hastened their demise in some harbors.

This state of neglect from the Federal Government is difficult to understand. While we question if the label "Rust Belt" was ever truly reflective of the Great Lakes region, our industries don't take a back seat to any in the world. The steel mill in Cleveland is the most efficient in the world based on man-hours per ton of steel produced. The limestone quarry in Calcite, Michigan, is the largest in the world. The U.S.-flag Great Lakes fleet is the largest assemblage of self-unloading vessels in the world. No other registry boasts so many ships that can discharge cargo without any assistance from shoreside personnel or equipment.

Can a Water Resources Development Act help solve these problems? The answer is "Yes!" The Water Resources Development Act of 2013 can end the dredging crisis without requiring one additional dollar in Federal revenue.

As noted, lack of adequate funding for dredging has left 18 million cubic yards of sediment clogging the Great Lakes ports and waterways. The amount varies from port to port. In Ashtabula, Ohio, near the Chairman's district, the backlog tops 900,000 cubic yards.

In Congresswoman Miller's district, Harbor Beach needs 150,000 cubic yards dredged to return to functional dimensions.

The largest port in Congressman Ribble's district is Green Bay, and its backlog is approaching 700,000 cubic yards.

Near Congressman Lipinski's district, ships won't deliver full loads again until 185,000 cubic yards are dredged from the Calumet harbor and river.

In Congressman Petri's district, 68,000 cubic yards clog Manitowoc.

The Port of Oswego is very near Congressman Hanna's district, and its backlog is closing in on 125,000 cubic yards.

Congressman Nolan is lucky, the Port of Duluth/Superior is perhaps the best maintained on the Lakes. Even so, because of inadequate dredging in the St. Marys River that connects Lake Superior to the rest of the system, a ship that should have been carrying 69,000 tons of Minnesota iron ore left Duluth on March 28 with less than 60,000 tons in her holds.

If you think this recap is bad, just wait. The Corps projects that Lakes-wide, the backlog will grow to 23 million cubic yards by 2017 if funding remains at the levels of recent years.

The Corps estimates it will cost about $200 million to restore the Great Lakes Navigation System to functional dimensions. That's a lot of money, especially in this difficult financial climate. The good news is that the Congress and the Administration don't need to divert funds or pass a new tax to restore our "Fourth Sea Coast." The money is there. It has been available for many years.

The Water Resources Development Act of 1986 changed how America funded maintenance and modernization of its deep-draft ports and waterways. Until then, the cost of new construction and operations and maintenance dredging (O&M) had been funded from general revenues.

Starting in 1987, the Harbor Maintenance Tax was instituted and the receipts deposited in the Harbor Maintenance Trust Fund (HMTF). Initially the tax recovered 40 percent of the cost of O&M, but just a few years later the tax was increased to recover 100 percent.

Whether or not we should have ever implemented the Harbor Maintenance Tax is a moot point. It's current law. But what must change is the way the Federal government treats the Harbor Maintenance Tax dollars it collects. In a typical year the HMTF takes in about $1.6 billion, but spends only about $800 million. This policy of spending only one out of every two dollars collected for dredging on dredging is the reason we have a dredging crisis on the Great Lakes and significant dredging needs elsewhere.

It's also the reason the HMTF has a more than $7 billion surplus that will swell to $9 billion by the end of 2014.

We cannot overestimate the debilitating effects of the dredging crisis on the American economy and the environment. As noted earlier, we just had a ship depart Duluth 10,000 tons short of its capacity. This is what the industry calls "lightloading."

Vessel operators are paid to carry cargo, so clearly those 10,000 tons left at the loading dock impacted the company's ability to generate the revenue necessary to pay its employees and reinvest in its vessels. But to think this is just about shipping companies is to miss the boat, no pun intended.

10,000 tons of iron ore is more than a day's production at a large mine in Minnesota or Michigan. 10,000 tons of iron ore will make enough steel to build 8,300 cars, the production of which will keep an auto plant working for 14 days.

The biggest ships hauling coal are also forfeiting 10,000 tons each trip right now. Over the course of a season they will each make about 50 trips. Ten thousand tons of coal will make enough electricity to power a metropolitan area the size of Greater Detroit for more than three hours.

In the limestone trade, a 10,000-ton shortfall robs the American economy of 25 homes and the jobs it takes to build them.

The House of Representatives is already working on a solution to the dredging crisis: H.R. 335, the RAMP Act. RAMP stands for Realize America's Maritime Promise. The legislation puts the "Trust" back in the Harbor Maintenance Trust Fund by requiring that it spends as much as it takes in each year for dredging on dredging.

It is a pleasure to note that Water Resources and Environment Subcommittee members Gibbs, Miller, Petri, Denham, Ribble, Rice, Davis, Michaud, and Hahn are co-sponsors of H.R. 335. In total, 102 members of the House have co-sponsored the bill (as of April 15, 2013).

It is critical that the provisions of the RAMP Act be incorporated into a WRDA. The very future of Great Lakes shipping hangs in the balance.

However, the issue is about more than just funding. The Great Lakes need to be treated as a system rather than a collection of 60 individual ports. The Corps' port-by-port approach fails to recognize the inter-dependence of Great

Lakes ports, and as result, small ports, ones that handle less than one million tons of cargo per year, don't make the Corps' budget request for dredging. Unlike ports on other coasts that compete with each other for containers or cars, Great Lakes ports serve each other's needs by facilitating the movement of natural resources from where they're naturally found to where they're needed.

Small, like beauty, is often in the eye of the beholder. The largest port on the Great Lakes, Duluth/Superior, can ship and receive more than 40 million tons of cargo per year, so it is not inappropriate to label Holland, Michigan, and its 600,000 tons of cargo "small." But it is entirely inappropriate to deny that port dredging dollars. The coal that is delivered to Holland feeds the local power plant. The limestone delivered to Holland serves the local construction industry.

A Great Lakes steelmaker has noted that the limestone quarries that supply its fluxstone (a type of limestone used as a purifying agent in the steelmaking process) also ship aggregate to the construction industry. If enough small ports such as Holland that take 150,000 tons of limestone per year close, the collective loss of volume could making quarrying uneconomic and jeopardize the mill's supply of fluxstone.

Great Lakes shipping is a mature industry. The iron ore trade dates back to 1852. The first Soo Locks opened in 1855. Even the St. Lawrence Seaway is now more than 50 years old.

But don't confuse mature with antiquated. America needs Great Lakes and Seaway shipping more than ever. Our highways and rail lines will struggle to meet the transportation needs of a revived economy. The cost to expand them is astronomical - $30-plus million for a mile of 4-lane highway; $4 million for a mile of rail line.

Great Lakes shipping can ease the congestion on our roads and rail lines. One 70,000-ton cargo in a 1,000-foot-long vessel equals the hauling power of seven 100-car unit trains or 2,800 25-ton haulage trucks. Many of the facilities served by Great Lakes vessels do not have rail access. Dredge the Great Lakes to again allow for full loads and we 1) increase transportation cost savings; 2) lighten the load on our land-based modes of transportation; and 3) reduce fuel consumption and emissions. Ending the dredging crisis isn't just a win-win situation, it's a win-win-win situation.

Thank you for the opportunity to present testimony for the record.

2013 MEMBERSHIP BY STATE AND CITY

ILLINOIS

ArcelorMittal – Chicago ♦ Chicago Port Council – Joliet ♦ CN – Homewood
Illinois International Port District – Chicago

INDIANA

Central Marine Logistics – Griffith ♦ Northern Indiana Marine Management – Griffith ♦ Ports of Indiana – Indianapolis

MAINE

International Association of Machinists & Aerospace Workers (IAMAW) District Lodge 4 – Lisbon Falls

MICHIGAN

Central Dock Company – Benton Harbor ♦ Consumers Energy – Jackson ♦ Detroit Edison - Detroit
Detroit/Wayne County Port Authority – Detroit ♦ Dock 63 Inc. – St. Joseph ♦ Durocher Marine – Cheboygan
Edw. C. Levy Co. – Detroit ♦ IAMAW District Lodge 60 – Romulus
International Union of Operating Engineers Local 324 – Bloomfield Twp. ♦ The King Co. – Holland
Lake Michigan Carferry Service, Inc. – Ludington ♦ Lakes Pilots Association – Port Huron
Luedtke Engineering Company – Frankfort ♦ MCM Marine, Inc. – Sault Ste. Marie
Michigan Maritime Trades Port Council, MTD, AFL-CIO – Algonac
Pere Marquette Shipping Company – Ludington ♦ Port of Monroe – Monroe ♦ Ryba Marine Construction Co. – Cheboygan
Seafarers International Union of North America – Algonac ♦ Soo Marine Supply, Inc. – Sault Ste. Marie
The Perricone Group – Dowling ♦ Verplank Dock Co. – Ferrysburg

MINNESOTA

Duluth Seaway Port Authority – Duluth ♦ Great Lakes Fleet / Key Lakes, Inc. – Duluth
Hallett Dock Company – Duluth ♦ Marine Tech, LLC – Duluth

MONTANA

Montana Coal Council – Helena

NEW YORK

American Steamship Company – Williamsville ♦ Gateway Trade Center, Inc. – Buffalo
International Association of Machinists & Aerospace Workers – Lancaster ♦ IAMAW District Lodge 65 - Jamestown
Maritime Port Council of Greater New York/New Jersey & Vicinity – New York City ♦ Port of Oswego Authority – Oswego
Rand Logistics, Inc. – New York City ♦ St. Lawrence Seaway Pilots' Association – Cape Vincent

OHIO

American Maritime Officers, AFL-CIO – Toledo ♦ Cleveland-Cuyahoga County Port Authority – Cleveland
Cliffs Natural Resources, Inc. – Cleveland ♦ CSX Transportation, Toledo Docks – Toledo
Faulkner, Hoffman & Phillips, LLC – Cleveland
Grand River Navigation Company, Inc. – Avon Lake ♦ Great Lakes District Council, ILA, AFL-CIO – Cleveland
The Interlake Steamship Company – Middleburg Hts. ♦ ILA - Lake Erie Coal & Ore Dock Council – Toledo
ILA - Local 1317 – Cleveland ♦ ILA - Local 1768 – Toledo ♦ IAMAW District Lodge 54 – Columbus
IAMAW Local Lodge 1943 – Middletown ♦ Int'l Organization of Masters, Mates & Pilots – Cleveland
International Ship Masters' Association – North Ridgeville ♦ Lafarge North America – Streetsboro
Lake Carriers' Association – Rocky River ♦ Lorain Port Authority – Lorain
Osborne Concrete & Stone Co. – Grand River ♦ Tata Steel – Warren
Toledo-Lucas County Port Authority – Toledo ♦ Toledo Port Council, MTD, AFL-CIO – Toledo
United Steelworkers, District 1, AFL-CIO-CLC – Warrensville Hts. ♦ United Steelworkers, Local 5000 – Middleburg Hts.

PENNSYLVANIA

Carmeuse Lime, Inc. – Pittsburgh ♦ Donjon Shipbuilding and Repair – Erie
IAMAW District Lodge 1 – Philadelphia ♦ IAMAW District Lodge 98 – York ♦ United States Steel Corporation. – Pittsburgh

VIRGINIA

Norfolk Southern Corporation (coal docks in Sandusky, Ohio, and Ashtabula, Ohio) – Norfolk

WISCONSIN

Bay Shipbuilding Co. – Sturgeon Bay ♦ Brown County Port & Solid Waste Dept. – Green Bay
City of Superior Planning Dept. – Superior ♦ Fraser Shipyards, Inc. – Superior ♦
Midwest Energy Resources Co. – Superior
The Port of Milwaukee – Milwaukee ♦ Western Great Lakes Pilots' Association – Superior

GREATER WASHINGTON, DC

American Great Lakes Ports Association – Washington, DC ♦ American Maritime Officers Service – Washington, DC
Int'l Brotherhood of Boilermakers – Washington, DC
K&L Gates, LLP – Washington, DC ♦ MEBA, AFL-CIO – Washington, DC ♦ Transportation Institute – Camp Springs, MD

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Statement

Of

The National Wildlife Federation

Before the

Transportation and Infrastructure Committee
United States House of Representatives

For the hearing on the

The Foundations for a New Water Resources Development Act

April 16, 2013

Prepared by

Melissa Samet
Senior Water Resources Counsel

STATEMENT OF MELISSA SAMET
SENIOR WATER RESOURCES COUNSEL, NATIONAL WILDLIFE FEDERATION

UNITED STATES HOUSE OF REPRESENTATIVES
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE
THE FOUNDATIONS FOR A NEW WATER RESOURCES DEVELOPMENT ACT
April 16, 2013

Chairman Shuster, Ranking Member Rahall, and members of the Committee, thank you for the opportunity to present a statement on the Foundations for a New Water Resources Development Act. The National Wildlife Federation greatly appreciates the opportunity to offer our views on changes to the U.S. Army Corps of Engineers (Corps) planning process that are needed to ensure that Corps projects protect public safety, sustain fish and wildlife, and promote sustainable economic development.

The National Wildlife Federation is the nation's largest conservation education and advocacy organization with more than four million members and supporters and affiliate conservation organizations in forty-eight states and territories. The Federation has a long history of interest and involvement in the management and protection of the nation's rich array of water resources and has long called for modernization of the Corps' planning process and programs. The Federation also works closely with the Water Protection Network, a coalition of more than 200 grassroots, regional, and national organizations from across the country working to improve the way the Corps plans and constructs water projects.

The current approach to federal water resources planning has produced far too many projects that have significantly damaged the nation's rivers, coasts, and wetlands. These projects destroy vital fish and wildlife habitat; often increase flood risks for downstream communities; and deprive the nation of vital ecosystem services, including clean water, natural flood protection and carbon sequestration. They also undermine sustainable economic development by harming tourism, recreation, hunting, fishing, and other economies that rely on a healthy environment. Outdated operating plans for many of these projects are adding to this damage.

The nation can no longer afford this business as usual approach to project planning. We face increasingly limited federal funding for water projects at the same time that communities across the country are suffering from the unintended consequences of many already-constructed water resources projects, more intense storms like Hurricane Sandy, more frequent and intense floods and droughts, and rapidly rising sea levels. Congress has already provided more than $60 billion in federal disaster assistance to the region impacted by Sandy, and Hurricane Sandy was neither the first nor the last extreme weather event that we will face. If we fail to ensure that water resources planning can better protect people and wildlife before disaster strikes, the devastation from future storms will be even higher.

To address these challenges, it is vital that the next Water Resources Development Act maximize protection of our rivers, floodplains, and other natural resources to improve the

safety of our communities and protect fish and wildlife. Corps planning must solve – instead of cause – water resources problems so that people and wildlife can thrive as the earth's climate continues to change.

As this Committee is aware, Congress enacted important reforms in the Water Resources Development Act of 2007 to change the direction of federal water resources planning. Among other key reforms, Congress directed that all federal water resources projects – including operation of the nation's vast array of existing water infrastructure – must protect and restore the environment, seek to promote sustainable economic development, and seek to avoid the unwise use of floodplains.[1] To carry out this directive, Congress directed the Corps to, among other things, protect and restore the functions of natural systems and to mitigate any unavoidable damage to those systems.[2]

The National Wildlife Federation urges the Committee to enact the simple, common sense reforms outlined in Section IV of this statement to further this critical water policy. Among other things, these reforms would direct the Corps to utilize low impact, natural solutions to reducing flood damages wherever practicable, and to modernize management of existing projects to account for current needs and environmental conditions, including more extreme weather and rising sea levels. The proposed reforms would provide the Corps with the direction and authority it needs to ensure that water resources projects protect people, jobs, and wildlife.

The National Wildlife Federation also urges the Committee to protect the integrity of the nation's environmental laws and affirm the continued use of the existing framework and process for conducting environmental reviews of Corps water projects. The National Environmental Policy Act and coordination with agencies like the U.S. Fish and Wildlife Service disclose the true environmental and economic costs of Corps projects and allow decision makers and the public to determine whether those projects are deserving of investment by federal taxpayers. They produce better, less damaging projects and have saved hundreds of millions in taxpayer dollars while protecting wetlands vital to flood protection, migratory waterfowl, and clean water.

The conservation community has strongly opposed language in the Senate Water Resources Development Act of 2013 (sections 2032 and 2033 of S.601) that would undermine the effectiveness of the environmental review process and the integrity of the nation's environmental laws.[3] The Corps also opposes such efforts. In a recent letter to the Senate

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[1] 42 U.S.C § 1962–3 (Section 2031 of Public Law 110–114, 121 Stat. 1082).

[2] *Id.*

[3] *See, e.g.*, Letter from the National Wildlife Federation to Members of the Senate, dated April 8, 2013 (opposing consideration of S.601 until sections 2032 and 2033 are stripped from the bill); Letter from 132 Conservation Organizations to Members of the Senate, dated April 9, 2013 (same); Letter from American Rivers, Clean Water Action, Defenders of Wildlife, Earthjustice, Endangered Species Coalition, Natural Resources Defense Council, National Wildlife Federation, Oceana, Ocean Conservancy, Physicians for Social Responsibility, Sierra Club, and The Wilderness Society to Members of the Senate, dated April 10, 2013 (same); *see also* Letter from the Association of

Environment and Public Works Committee, the Assistant Secretary of the Army for Civil Works urged Congress to "affirm continued use of the current foundational environmental framework for all water resource project decisions" and to "support efforts to evaluate the full range of reasonable alternatives, ensure the integrity of [the Corps'] analysis, and promote better environmental stewardship."[4] The administration also urged that Congress "should not prescribe regulatory deadlines, limit public participation, or constrain the Federal review process of the potential impacts" of Corps proposals.[5]

I. Poorly Planned Federal Water Projects Harm Communities, Wildlife, and the Economy

Poorly planned water resources projects cause considerable social, economic, and environmental harm while often failing to solve critical water resources problems. During the past 20 years, federal water projects have played a major role in making freshwater species the most imperiled group of fish and wildlife in North America. At the same time, the nation's flood damages have increased at an alarming rate. Outdated operating plans for Corps projects have also significantly increased flood risks for communities, caused unnecessary harm to the environment, and aggravated contentious water quantity conflicts.

A new approach to planning is critical to reverse this damage and to allow people and wildlife to thrive in the face of the more intense storms, more frequent and intense floods and droughts, and rapidly rising sea levels that are becoming the new norm. For example, it is expected that:

- The Atlantic Coast will experience rising sea levels, warming ocean waters, enhanced coastal storms, and ocean acidification, all of which place both natural systems and coastal communities at risk.[6] During the last century, sea level has increased by approximately 8 inches on average around the globe. Scientists project that the global mean sea level could increase by an additional 1 to 4 feet by the end of the century, and could increase by as much as 6.6 feet.[7] New science suggests that the area off the Atlantic Coast is a "hot spot" for a relatively higher rate of sea-level rise than the global average.[8]

State Wetland Managers and the Association of State Floodplain Managers, dated April 10,2013 (opposing sections 2032 and 2033 of S.601).

[4] Letter from the Assistant Secretary of the Army for Civil Works to the Chairman of the Senate Environment and Public Works Committee, dated March 14, 2013.

[5] *Id.*

[6] Burkett VR and Davidson MA (Eds.). 2012. *Coastal Impacts, Adaptation and Vulnerability: A Technical Input to the 2012 National Climate Assessment*. Cooperative Report to the 2013 National Climate Assessment, pp. 150.

[7] Parris A, Bromirski P, *et al.* 2012. *Global Sea Level Rise Scenarios for the United States National Climate Assessment.*

[8] Sallenger, Jr. AH, Doran KS, and Howd PA. 2012. Hotspot of accelerated sea level rise on the Atlantic Coast of North America. *Nature Climate Change* 2: 884-888.

- Coastal Louisiana will suffer from a combination of sea level rise, subsidence and more frequent and severe hurricanes. Recent projections show that the combined effect of sea level rise and subsidence, which can exceed 1 centimeter a year, may result in water levels rising by as much as 2 meters (more than 6.5 feet) by 2100 in much of the Mississippi River Delta. Over the past 50 years, total hurricane intensity has increased by about 80 percent and over the past several decades the number of category 4 and 5 hurricanes has increased due at least in part to increased sea surface temperatures.[9] Louisiana's *2012 Comprehensive Master Plan for a Sustainable Coast* proposes to meet these challenges with a bold program of wholesale ecosystem restoration combined with aggressive measures to increase the resiliency of coastal communities.[10]

- The Midwest will see more heavy rainfall events that will contribute to higher flood risk along the Mississippi River.[11] The frequency of extremely heavy rainfall events has increased by up to 40 percent during the last 31 years for the central United States.[12] Climate projections for this century indicate that those big storms that historically only occurred once every 20 years are likely to happen as often as every 4 to 6 years.[13]

Over Reliance on Large-Scale Structural Projects

The Department of the Army Inspector General has found that the Corps has an institutional bias for constructing costly, large scale structural projects.[14] These types of projects damage the functioning and productivity of natural systems, putting the public, the environment, and the economy at risk. This lesson was made tragically, and abundantly, clear when Hurricane Katrina slammed into New Orleans. Poorly planned Corps projects led to major losses of Louisiana's vital coastal wetlands that were not available to help buffer Katrina's storm surge, funneled and intensified that surge into New Orleans, and encouraged the development of high-risk areas that suffered the brunt of the flooding. The city's fate was sealed by the Corps' flawed design and construction of levees and floodwalls that were supposed to protect the city, but did not.

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[9] Mississippi River Science and Engineering Team, Answering 10 Fundamental Questions About the Mississippi River Delta, 2012 at 34 (http://www.mississippiriverdelta.org/files/2012/04/MississippiRiverDeltaReport.pdf).

[10] *Louisiana's Comprehensive Master Plan for a Sustainable Coast* 2012. Coastal Protection and Restoration Authority of Louisiana. Baton Rouge, LA.

[11] Groisman PY, Knight RW, and Karl TR. 2001. Heavy precipitation and high streamflow in the contiguous United States: trends in the 20th century. *Bulletin of the* American Meteorological Society 82(2): 219-246.

[12] Groisman PY, Knight RW, and Karl TR. 2012. Changes in Intense Precipitation over the Central United States. Journal of Hydrometeorogy 13: 47–66.

[13] U.S. Climate Change Science Program (CCSP). 2008. Weather and Climate Extremes in a Changing Climate. Regions of Focus: North America, Hawaii, Caribbean, and U.S. Pacific Islands. A Report by the U.S. Climate Change Science Program and the Subcommittee on Global Change Research. [Thomas R. Karl, et al. (Eds.)]. Department of Commerce, NOAA's National Climatic Data Center, Washington, D.C.: 164 pp.

[14] Department of the Army Inspector General (Case No. 00-019), Investigation of Allegations against the U.S. Army Corps of Engineers Involving Manipulation of Studies Related to the Upper Mississippi River and Illinois Waterway Navigation Systems, November 2000 (finding that the Corps deceptively and intentionally manipulated data in an attempt to justify a $1.2 billion lock expansion project and that the Corps has an institutional bias for constructing costly, large scale structural projects).

As this Committee is well aware, the flooding of New Orleans devastated families, destroyed homes, and displaced entire communities. It also caused enormous economic losses:

> "During the first 10 months after the hurricane, the city suffered an over-the-year average loss of 95,000 jobs. At the trough of the job loss, in November 2005, employment was 105,300 below the previous year's November figure. By June 2006, the over-the-year job loss, though smaller, was still substantial (92,900). Lost wages over the 10-month period from September 2005 to June 2006 were about $2.9 billion, with 76 percent of the loss attributable to the private sector."[15]

More than seven years later, New Orleans still has not fully recovered.

Despite the changes enacted in the Water Resources Development Act of 2007, the Corps continues to promote the same type of large scale structural projects that led to so many problems during Hurricane Katrina. While structural flood damage reduction projects will be necessary in some instances, they should be the option of last resort. Structural projects destroy wetlands and floodplains that provide natural flood protection, clean water, and vital fish and wildlife habitat. Structural flood projects often increase flooding downstream, induce development in high risk areas, and make coastal communities far more vulnerable to storms.

Nonstructural and restoration measures, on the other hand, can solve many water resources problems while protecting and improving the health of the nation's rivers, floodplains, wetlands, and coasts. Healthy rivers and floodplains play an important role in absorbing excess flood waters and slowing its movement downstream. A single acre of wetland can store 1 to 1.5 million gallons of flood water,[16] while just a one percent loss of a watershed's wetlands can increase total flood volume by almost seven percent.[17]

Healthy rivers, floodplains, and wetlands also allow people and wildlife to benefit from natural flood cycles. For example, in a healthy, functioning river system, natural floods deposit nutrients along floodplains creating fertile soil for bottomland hardwood forests. Sediment transported by floods form islands and back channels that are home to fish, birds, and other wildlife. By scouring out river channels and riparian areas, floods prevent rivers from becoming overgrown with vegetation. Floods also facilitate breeding and migration for a host of fish species, and provide vital connectivity between habitat areas. In the deltas at the mouths of rivers, floods release freshwater and sediment, sustaining and renewing wetlands that protect coastal communities from storms and provide nurseries for multibillion dollar fisheries.

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[15] Michael L. Dolfman et al, *The effects of Hurricane Katrina on the New Orleans Economy*, Monthly Labor Review (June 2007).

[16] Environmental Protection Agency (EPA). 2001. Functions and Values of Wetlands. EPA 843-F-01-002c. (http://water.epa.gov/type/wetlands/outreach/upload/functions-values.pdf).

[17] Demissie M. and Khan A. 1993. Influence of Wetlands on Streamflow in Illinois. Illinois State Water Survey, Contract Report 561, Champaign, IL: 44-45.

The use of nonstructural and restoration measures also avoids the risks of catastrophic failure and overtopping created by structural projects like levees and floodwalls. The likelihood of such failures has caused the Association of State Floodplain Managers to urge communities to use nonstructural measures whenever possible instead of constructing new levees, which should be used only as an option "of last resort."[18]

Importantly, nonstructural and restoration measures are an important tool for complying with federal law and long-standing federal policies which require the federal government to use the most environmentally protective measures possible to solve water resources problems.[19] These mandates can best be achieved by utilizing nonstructural and restoration measures where they will solve all or a portion of a water resources problem and are practicable. Such approaches will typically cost less than structural measures and will provide additional important benefits to public health and welfare, fish and wildlife, and economies that rely on a healthy environment. The use of nonstructural and restoration approaches will also improve the ability of natural and human communities to adapt to climate change.

Nonstructural measures include coastal and floodplain protection, relocation of flood-prone properties, water conservation and efficiency, improved management of existing water resources projects, pricing mechanisms, and navigation scheduling. Restoration measures include re-establishing the natural form, function, and hydrology of rivers, floodplains and wetlands through such things as the removal or modification of levees, dams, river training structures, cut offs, and culverts, and reestablishment of natural floodplain inundation.

As demonstrated by the success stories presented in Attachment A, these nonstructural and restoration measures can solve significant problems while providing additional important benefits that include clean water, fish and wildlife habitat, recreational opportunities, sustainable economic development, and an increased ability for people and wildlife to adapt to climate change. The critical importance of such measures is now well recognized. For example, restoration and non-structural measures are so important that Louisiana's *2012 Comprehensive Master Plan for a Sustainable Coast* is proposing to spend three quarters of its funding over the next fifty years to accomplish them.[20]

Outdated Operating Plans

The Corps operates hundreds of projects across the country, including 12,000 miles of inland commercial navigation channels, more than 690 dams, and 75 federal hydropower facilities. Outdated operating plans for this vast array of existing water infrastructure are putting the

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[18] Association of State Floodplain Managers White Paper, National Flood Policy Challenges, Levees: The Double-edged Sword, Adopted February 13, 2007.

[19] *E.g.*, Clean Water Act Section 404, 33 U.S.C. §1344; Clean Water Act Section 404(b)(1) Guidelines, 40 C.F.R. Part 230; WRDA 2007 Section 2031(a), (a)(2), and (a)(3), 42 U.S.C. § 1962–3; WRDA 1974, 33 U.S.C. § 701b-11; Executive Order 11990 (Protection of Wetlands); Executive Order 11988 (Floodplain Management).

[20] *Louisiana's Comprehensive Master Plan for a Sustainable Coast* 2012. Coastal Protection and Restoration Authority of Louisiana. Baton Rouge, LA. at 36-37.

public at risk, damaging the economy, causing significant harm to the environment, and aggravating increasingly contentious water supply conflicts.

Poorly managed federal projects destroy vital habitat, alter critical fish and wildlife life cycle processes like fish spawning, alter natural hydrologic cycles, destroy wetlands and backwater habitats, increase sedimentation, prevent sediments from reaching and restoring vital coastal wetlands, prevent nutrient-rich floodwaters from nourishing floodplain soils and plant communities, and facilitate encroachment of invasive species.

For example, the Corps has not evaluated the environmental, economic, or public safety implications of its operation and maintenance (O&M) of the Mississippi River Navigation System in decades. Instead, the Corps continues to rely on environmental impact statements completed some 35 years ago and continues to carry out the same activities that the U.S. Geological Survey has documented as playing a major role in the dramatic decline in the ecological health of the Mississippi River and the species that rely on it.[21]

Among other things the Corps' O&M activities are destroying critical habitats including the rivers' backwaters, side channels and wetlands; altering water depth; destroying bathymetric diversity; causing nonnative species to proliferate; and severely impacting native species.[22] The Corps has ignored alternatives to its O&M practices that could both maintain a vibrant navigation system and improve the health of the river.

As demonstrated in Attachment B, an extensive body of recent peer-reviewed scientific literature demonstrates that the Corps' construction of river training structures as part of its O&M activities is significantly increasing the risks of floods for riverside communities. These structures, which are intended to reduce navigation dredging costs, have increased flood levels by up to 15 feet in some locations and 10 feet in broad stretches of the river where these structures are prevalent.[23]

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[21] U.S. Geological Survey, Ecological Status and Trends of the Upper Mississippi River System 1998: A Report of the Long Term Resource Monitoring Program (April 1999); Johnson, B. L., and K. H. Hagerty, editors. 2008. U.S. Geological Survey, *Status and Trends of Selected Resources of the Upper Mississippi River System,* December 2008, Technical Report LTRMP 2008-T002. 102 pp + Appendixes A–B (Upper Midwest Environmental Sciences Center, La Crosse, Wisconsin).

[22] *Id.*

[23] Pinter, N., A.A. Jemberie, J.W.F. Remo, R.A. Heine, and B.A. Ickes, 2010. Empirical modeling of hydrologic response to river engineering, Mississippi and Lower Missouri Rivers. River Research and Applications, 26: 546-571; Remo, J.W.F., N. Pinter, and R.A. Heine, 2009. The use of retro- and scenario- modeling to assess effects of 100+ years river engineering and land cover change on Middle and Lower Mississippi River flood stages. Journal of Hydrology, 376: 403-416.

While the Corps continues to deny the validity of this science, the flood height inducing effects of river training structures are so well recognized that the Dutch have "begun lowering dozens of wing dikes along a branch of the Rhine River and [have] plans to lower hundreds more as part of a nationwide effort to reduce flood risk in that river's floodplain." [24]

Outdated operating plans are also threatening the Apalachicola River and Apalachicola Bay in Florida. At risk is the health of one of the most ecologically rich river systems in North America, recreational fishing in the Apalachicola River and Bay that contributes $191 million to the local economy each year, and a commercial fishing industry that contributes $200 million annually to the regional economy and directly supports up to 85 percent of the local population. The ecosystem services provided by the Apalachicola River and Bay have been valued at $5 billion a year.

The Corps' outdated management plans for upstream reservoirs on the Apalachicola-Chattahoochee-Flint system are preventing the Apalachicola from receiving the freshwater flows needed to maintain a healthy river and floodplain, and a healthy fishery in both the Apalachicola River and Bay. The current master water control manual for the Apalachicola-Chattahoochee-Flint river system was completed in 1958, and the Corps and has not completed an environmental review of that plan for more than 20 years (the Corps is currently preparing a new water control manual and environmental impact statement for this project, but only as the result of years of pressure and litigation).

The Corps continues to rely on decades-old operating plans for many federal water projects under its control, despite requirements to reevaluate operating plans in the agency's own internal guidance and as required by the National Environmental Policy Act. To protect public safety, wildlife, and a healthy economy, the Corps must manage the nation's vast array of existing water resources infrastructure to protect and restore the environment and address modern needs.

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[24] Government Accountability Office, GAO-12-41, Mississippi River, Actions Are Needed to Help Resolve Environmental and Flooding Concerns about the Use of River Training Structures (December 2011) (concluding that the Corps is out of compliance with both the National Environmental Policy Act and the Clean Water Act).

II. Full and Effective Environmental Review of Corps Projects Is Critical for Responsible Government Action and Saves Taxpayer Dollars

Careful compliance with the National Environmental Policy Act, the Endangered Species Act, the Clean Water Act, the Fish and Wildlife Coordination Act, and the nation's other environmental laws, is fundamental to making sound decisions on federal water projects. Indeed, as eight past chairs of the Council on Environmental Quality have concluded:

> [C]onsideration of the impacts of proposed government actions on the quality of the human environment is essential to responsible government decision-making. Government projects and programs have effects on the environment with important consequences for every American, and those impacts should be carefully weighed by public officials before taking action. **Environmental impact analysis is thus not an impediment to responsible government action; it is a prerequisite for it.**[25]

Effective environmental reviews expose the true cost of environmentally damaging and ill conceived proposals leading to better and far less damaging projects and substantial savings for federal taxpayers. For example, preparation of a supplemental environmental impact statement led the Corps to save more than 4,300 acres of wetlands that would have been destroyed had the Corps followed its original plan for raising levees along the Mississippi River.[26] Environmental review of the proposed Bolinas Lagoon dredging project in California made it clear that the Corps' proposal would cause devastating harm to one of the most pristine tidal lagoons in California and was not necessary, saving taxpayers $133 million. The environmental review process exposed the devastating environmental impacts of the Yazoo Backwater Pumping Plant project in Mississippi, prompting the George W. Bush Administration to veto the project. This saved taxpayers more than $220 million and protected 200,000 acres of wetlands – an area the size of all 5 boroughs of New York City.

When resource agency concerns are ignored and necessary studies are not done, the results can be devastating. Prior to construction of the Mississippi River Gulf Outlet (MRGO) in Louisiana, the U.S. Fish and Wildlife Service raised serious concerns and recommend additional environmental and hydrologic modeling, but the Corps ignored this advice. Since its construction, the MRGO has destroyed more than 27,000 acres of coastal wetlands and

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[25] September 19, 2005 Letter to the Honorable Cathy McMorris, Chair of the Task Force on Improving the National Environmental Policy Act from Russell E. Train (CEQ Chair 1970-1973), Russell W. Peterson (CEQ Chair 1973-1976), John Busterud (CEQ Chair 1976-1977), Charles W. Warren (CEQ Chair 1977-1979), J. Gustave Speth (CEQ Chair 1979-1981), Michael R. Deland (CEQ Chair 1989-1993), Kathleen A. McGinty (CEQ Chair 1995-1998), George T. Frampton Jr. (CEQ Chair 1998-2001), Gary Widman (CEQ General Counsel 1974-1976), Nick Yost (CEQ General Counsel 1977-1981) (emphasis added).

[26] Brief of Plaintiffs-Appellants, United States Court of Appeals for the Fifth Circuit, *Mississippi River Basin Alliance et al v. Lancaster et al.*, Case Number 99-31235, at 7 (January 26, 2000) (the supplemental EIS concluded that the traditional method of construction would destroy at least 11,654 acres of wetlands while the new alternative selected by the Corps would destroy 7,328 acres). The Corps continued to work on critical elements of this project while it prepared the supplemental environmental impact statement.

damaged more than 600,000 acres of coastal ecosystems surrounding the Greater New Orleans area. During Hurricane Katrina, the MRGO funneled Katrina's storm surge into New Orleans, resulting in devastating flooding in St. Bernard Parish and the lower Ninth Ward.

As law professors from across the country have concluded:

> Maintaining the integrity of the environmental review process for Corps projects is critical for responsible water resources planning. Corps proposals typically involve large scale structural measures with multiple and complex impacts that can radically transform entire ecosystems. Full and meaningful assessments of such projects – including independent, detailed reviews by the resource agencies – are essential for preventing the construction of poorly-designed projects that cause significant and avoidable damage to the nation's natural resources and put communities at risk. Such reviews are particularly important given the Corps' well recognized institutional bias towards construction of large scale structural projects and its long history of flawed analyses.[27]

Effective environmental review does not delay projects that are in the national interest. Project delays are caused by poor planning, funding constraints, and the Corps' $60 to $80 billion backlog of authorized but unconstructed projects which all require periodic funding to remain authorized. To speed project delivery, Congress should improve Corps planning through the reforms discussed in Section IV below. Congress should also establish a meaningful process for prioritizing the more than 1,000 projects in the backlog and a robust process for deauthorizing those projects that no longer serve the national interest. Failing to take an open and objective look at the project backlog while also authorizing additional projects without a full review by Congress, is contrary to the interests of the federal taxpayers and to the fundamental principles that guide good government.

The National Wildlife Federation urges the Committee to protect the integrity of the nation's environmental laws and affirm the continued use of the existing framework and process for conducting environmental reviews of Corps water resources projects.

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[27] Letter from 50 professors of Administrative Law, Environmental Law, and Natural Resources Law and Policy to Members of the Senate, dated April 8, 2013 (urging the Senate to strike the section 2032 and 2033 streamlining provisions for Corps projects from S.601). Between 1994 and 2011, at least 35 reports from the National Academy of Sciences, Government Accountability Office, Army Inspector General, National Academy of Public Administration, U.S. Commission on Ocean Policy, and independent experts revealed major flaws in Corps project planning and implementation, and urged substantial changes to the Corps' planning process. These studies include one by the Department of the Army Inspector General which found that the Corps had deceptively and intentionally manipulated data in an attempt to justify a $1.2 billion lock expansion project and that the Corps has an institutional bias for constructing costly, large scale structural projects. Department of the Army Inspector General (Case No. 00-019), Investigation of Allegations against the U.S. Army Corps of Engineers Involving Manipulation of Studies Related to the Upper Mississippi River and Illinois Waterway Navigation Systems, November 2000.

III. Corps Projects Should Work With Nature to Protect People, Jobs, and Wildlife

It is clear that healthy rivers, coasts, and wetlands are vital for fish and wildlife populations across the country. It is equally clear that protecting and restoring these systems provides important protections for people including by providing natural protection from floods and storms. Wetlands act as natural sponges, storing and slowly releasing floodwaters after peak flood flows have passed, and coastal wetlands buffer the onslaught of hurricanes and tropical storms. Restoring a river's natural flow and meandering channel, and giving at least some floodplain back to the river, slows down floodwaters and gives the river room to spread out without harming homes and businesses. A single acre of wetland can store 1 to 1.5 million gallons of floodwaters.[28] Just a one percent loss of a watershed's wetlands can increase total flood volume by almost seven percent.[29]

Frank Nutter, the President of the Reinsurance Association of America has said:

> "One cannot overstate the value of preserving our natural systems for the protection of people and property from catastrophic events." [30]

It is also clear that healthy rivers, coasts and wetlands form the basis of a vibrant economy by supporting healthy fish and wildlife populations, improving water quality, and providing recreational opportunities such as boating, fishing, and bird watching.

Outdoor recreation is a huge contributor to the nation's economy. "In 2011 90.1 million Americans, 38% of the U.S. population 16 years old and older, enjoyed some form of fishing, hunting or wildlife-associated recreation" contributing $145 billion to the national economy in the process.[31] "This equates to 1% of gross domestic product; meaning one out of every one hundred dollars of all goods and services produced in the U.S."[32]

Fishing is one of the most popular forms of outdoor recreation in the Unites States, attracting 33.1 million individuals 16 years old and older in 2011.[33] "Freshwater, excluding Great Lakes, fishing was the most popular type of fishing with 27.1 million anglers devoting 443 million days to the sport. Great Lakes and saltwater fishing were also popular with 1.7 million and 8.9 million anglers, respectively."[34] In 2011, anglers spent "$41.8 billion on trips, equipment, licenses, and other items to support their fishing activities." [35]

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[28] Environmental Protection Agency, *"Functions and Values of Wetlands." EPA 843-F-01-002c.* (2001) (*factsheet).*
[29] Demissie, M. and Abdul Khan. 1993. "Influence of Wetlands on Streamflow in Illinois." Illinois State Water Survey, Contract Report 561, Champaign, IL, Table 7, pp. 44-45.
[30] Restore America's Estuaries, *Jobs & Dollars BIG RETURNS from coastal habitat restoration* (September 14, 2011) (http://www.estuaries.org/images/81103-RAE_17_FINAL_web.pdf).
[31] U.S. Fish and Wildlife Service, 2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation: National Overview, Issued August 2012.
[32] *Id.*
[33] *Id.*
[34] *Id.*
[35] *Id.*

Healthy coasts "supply key habitat for over 75% of our nation's commercial fish catch and 80-90% of the recreational fish catch."[36] Healthy rivers are equally important to supporting a vibrant commercial and recreational fishing economy. As discussed above, recreational fishing in the Apalachicola River and Bay in Florida contributes $191 million to the local economy each year, commercial fishing in the River and Bay contributes $200 million annually to the regional economy and directly supports up to 85 percent of the local population, and the ecosystem services provided by the River and Bay have been valued at $5 billion a year.

Restoration projects are also an important creator of jobs that are "inherently local and cannot be exported."[37] Restore America's Estuaries reports that coastal restoration "can create more than 30 jobs for each million dollars invested" which is "more than twice as many jobs as the oil and gas and road construction industries combined."[38]

In Louisiana, analysis of a proposed $72 million project to restore a 30,000-acre expanse of degraded marsh near downtown New Orleans known as the Central Wetlands Unit shows that it could create 689 jobs (280 direct jobs and 400 indirect and induced jobs) over the project's life.[39] Implementation of the entire $27.6 billion dollars of restoration in Louisiana's Master Plan over the next fifty years would multiply those jobs hundreds of times over.

In Florida, restoration of the Everglades will produce more than 442,000 jobs over the next 50 years and almost 23,000 short- to mid-term jobs for the actual restoration work.[40] Everglades restoration is also predicted to produce a return of four dollars for each dollar invested, including:

- Improved water supply worth $13.1 billion;
- Increased property values worth $16.1 billion;
- Increased park visitation and tourism worth $1.3 billion; and
- Increased fishing and hunting as wildlife populations increase, worth $15.1 billion.[41]

The Department of the Interior's FY2010 investment of $156 million for ecosystem restoration activities in the Chesapeake Bay, Great Lakes, and Everglades supported more than 3,200 jobs and contributed $427 million in economic outputs.[42] The full economic output is even greater,

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[36] Restore America's Estuaries, *Jobs & Dollars BIG RETURNS from coastal habitat restoration* (September 14, 2011) (http://www.estuaries.org/images/81103-RAE_17_FINAL_web.pdf).
[37] *Id.*
[38] *Id.*
[39] Environmental Defense Fund, Profiles in Restoration: The Central Wetlands Unit, Part VI (May 3, 2010) (http://blogs.edf.org/restorationandresilience/category/central-wetlands-unit/).
[40] Everglades Foundation, Everglades Restoration a 4-to1-Investment (http://everglades.3cdn.net/79a5b78182741ae87f_wvm6b3vhn.pdf).
[41] *Id.*
[42] The Department of the Interior's Economic Contributions (Department of the Interior, 2011) at 106 (http://www.doi.gov/news/pressreleases/upload/DOI-Econ-Report-6-21-2011.pdf).

however, as the $427 million does not capture the net benefits associated with the restoration of environmental goods and services not bought and sold in markets.[43]

In Oregon, a $411 million investment in restoration from 2001 to 2010 generated an estimated $752 to $977 million in economic output.[44] The 6,740 restorations projects completed during that time supported an estimated 4,600 to 6,500 jobs, including jobs in construction, engineering, wildlife biology, and in supporting local businesses such as plant nurseries and heavy equipment companies.[45] On average, $0.80 of every $1.00 spent on a restoration project in Oregon stays in the county where the project is located and $0.90 stays in the state.[46] Importantly, the monies spent on restoration are "an enduring investment" whose value "continues to accrue and pay out over generations. Improvements in habitat and fish and wildlife populations provide recreation and commercial opportunities as well as ecosystem services that are fundamental to our health, productivity, and quality of life."[47]

Restoration projects can also provide critical business opportunities during difficult economic times:

> "During the economic recession, a habitat restoration project kept our marine transportation business afloat. We were able to keep many of our people working to rebuild a critical part of the marine environment that had been all but lost in North Carolina." [48]

IV. Common Sense Reforms Will Protect People, Jobs, and Wildlife

While some improvements have been made to the Corps' planning process, the agency continues to plan and operate projects that increase flood risks for communities, hurt businesses that rely on a healthy environment, and cause significant harm to fish and wildlife. These projects often cost far more they should and fail to solve critical water resources problems.

The good government reforms outlined below would avoid many of these adverse impacts while promoting modern and environmentally sound solutions to the Nation's many pressing water resources needs. The National Wildlife Federation urges the Committee to include these reforms in the next Water Resources Development Act that moves through the Committee and to exert your leadership to ensure that these policy reforms are enacted into law.

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[43] *Id.* at 5.
[44] Whole Watershed Restoration Initiative, Oregon's Restoration Economy, Investing in natural assets for the benefit of communities and salmon (2012)(http://www.ecotrust.org/wwri/downloads/WWRI_OR_brochure.pdf).
[45] *Id.*
[46] *Id.*
[47] *Id.*
[48] Restore America's Estuaries, *Jobs & Dollars BIG RETURNS from coastal habitat restoration* (September 14, 2011) (http://www.estuaries.org/images/81103-RAE_17_FINAL_web.pdf) (quoting Simon Rich, General Manager of Stevens Towing Company).

- **Use Low Impact, Cost-Effective Solutions Where Possible.** Congress should require use of nonstructural and restoration measures where they can provide an appropriate level of protection and benefits. The national water policy established by WRDA 2007 requires projects to "protect the environment" by "protecting and restoring the functions of natural systems and mitigating any unavoidable damage to natural systems" and by "seeking to avoid the unwise use of floodplains." Despite these requirements, the Corps continues to promote environmentally destructive and costly structural projects even where less costly and environmentally protective nonstructural and restoration measures would provide better and more cost-effective solutions. Requiring the use of low impact approaches where practicable is a cost-effective way to protect people, wildlife, and the many businesses that rely on healthy rivers, coasts, and wetlands.

- **Modernize Operation Of Existing Projects.** Congress should require the Corps to evaluate and update operations plans and water control manuals for large-scale Corps projects at least every 10 years and implement needed operational changes. The Corps continues to operate its projects under decades-old operating plans that harm the environment, increase flood risks, and aggravate contentious water quantity conflicts. Regular reoperation would ensure that taxpayer dollars are not wasted on antiquated, inefficient, and harmful operating plans; and that modern science, management approaches, and needs guide the operation of Corps projects.

- **Follow Recommendations Of The Nation's Fish And Wildlife Experts.** Congress should require mitigation for the impacts of Corps projects consistent with the mitigation measures recommended pursuant to the Fish and Wildlife Coordination Act. Despite important criteria established in WRDA 2007 to ensure effective mitigation for fish and wildlife losses, the Corps continues to adopt mitigation plans that will not work, in part because they ignore expert recommendation made by federal and state fish and wildlife agencies. Requiring the Corps to follow these recommendations will improve project planning and is fundamental to cost-effective government.

- **Ensure Effective Independent Review**. Congress should establish clear timelines and standards for the preparation and release of independent reviews to Congress to close loopholes in the WRDA 2007 independent review provision. WRDA 2007 establishes important standards to ensure transparency, accountability, and public involvement in independent reviews of Corps studies. The Corps is ignoring these requirements by withholding critical review information, imposing inappropriate limits on the scope of review, and excluding the public from the review process. Closing these loopholes is an important, cost-effective tool for improving project planning.

- **Modernize Emergency Flood Recovery Efforts**. Congress should allow the use of P.L. 84-99 emergency funds for levee setbacks and nonstructural and restoration measures. P.L. 84-99 requires the Corps to fund 80% to 100% of the cost of restoring a publicly-owned flood project damaged by a flood to pre-disaster conditions (33 U.S.C. 701n). These large, guaranteed federal subsidies promote the dangerous use of floodplain areas and often fund

the repeated rebuilding of levees at significant cost to the public. Removing the existing prohibition against use of these funds for nonstructural measures (unless specifically requested by the local sponsor) and requiring evaluation of more sustainable, less damaging alternatives before rebuilding would increase community safety, save taxpayer dollars, and improve the environment.

- **Establish A Meaningful Non-Federal Cost Share For Inland Waterways O&M.** Congress should establish a meaningful non-federal cost share for operations and maintenance activities (O&M) for the inland waterways system. O&M for all segments of the inland waterways system are currently funded 100% by federal taxpayers, not waterway uses, even for segments that see little use or serve only parochial interests. O&M now represents the majority of the cost of this system, which percentage-wise is the highest US transportation subsidy. Creating a meaningful non-federal cost share for maintaining little used waterways would ensure that scarce tax dollars are spent on navigation systems that provide real value to the nation, and is a vital step in prioritizing national needs over inefficient and environmentally destructive maintenance of waterways that are rarely used.

- **Create Economic Incentives For Low Impact Flood Damage Reduction.** Congress should create economic incentives for low impact flood damage reduction projects and establish a programmatic authority for smaller scale flood projects that utilize such approaches. Communities continue to request large scale structural projects to address local flooding problems despite the fact that such projects increase flooding downstream, induce development in high risk areas, and cause significant environmental harm. Creating an incentive for utilizing nonstructural and restoration solutions would increase community safety while improving the environment.

- **Focus Corps Projects On The Nation's Most Pressing Needs.** Congress should establish merit-based systems to prioritize Corps projects and reduce the Corps' more than $60 billion backlog. The Corps currently has a more than $60 billion backlog of unconstructed projects, including many that are ecologically unsound and fail to address current needs. Each of these projects requires periodic funding to remain on the project list, which under current funding levels will take more than 35 years to construct. Prioritizing the planning and construction of Corps projects, and deauthorizing outdated projects, will ensure that scarce tax dollars are spent only on scientifically and economically sound projects that serve the nation's current needs.

V. Conclusion

The National Wildlife Federation respectfully urges the Committee to protect the integrity of the nation's environmental laws and affirm the continued use of the existing framework and process for conducting environmental reviews of Corps water projects. We also urge you include the critically important reforms outlined above in the next Water Resources Development Act that moves through the Committee. We look forward to working with you to ensure that these reforms are enacted into law.

Attachment A

LOW IMPACT SOLUTION SUCCESS STORIES

As demonstrated by the examples below, low impact solutions successfully protect communities from flooding while providing a host of other benefits.

California – Coyote Creek. The Santa Clara Valley Water District sought approval for levee setbacks and bypass channels after major flooding in 1983. The project was completed in 1995, and is credited for reducing flooding in 1997. According to the Santa Clara Valley Water District, flood waters would have been 40% faster and water volume would have been 57% higher without these improvements.

California – Napa River. The Napa River has flooded at least 30 times in the last 150 years, with residents sustaining more than $540 million in flood damages in the past 40 years alone. After twice rejecting old-style Corps' plans for levees-only flood protection in 1998 a broad coalition worked to develop a "living river" plan that is reconnecting portions of the Napa River to its floodplain. This new plan replaces the Corps' proposed floodwalls and levees with terraced marshes, wider wetland barriers, and restored riparian zones. About 500 acres of previously drained farmland were returned to marshland. Though they were only partially completed, those natural flood control solutions are credited for lowering flood levels by about 2 to 3 feet during the 2006 New Year's Day flood.

Florida – Upper St. John's River. Florida has a long history of flooding caused by hurricanes, tropical storms, and heavy rainfall. By the 1970s, the St. John's River had lost more than 62 percent of its historic 400,000 acres of floodplain wetlands, aggravating extensive flooding in the region. In 1986, Congress authorized a combined structural and restoration project to reduce flood damages along the river. The backbone of this project is restoration of 200,000 acres of floodplain which will hold more than 500,000 acre-feet of water – enough to cover 86 square miles with 10 feet of water – and will accommodate surface water runoff from a more than 2,000 square mile area. The Corps predicts that this $200 million project will reduce flood damages by $215 million during a 100-year flood event, and provide average annual benefits of $14 million.

Illinois – Cache River. Channelized, dredged, diverted, and leveed since the early 1900s, the Cache River today has lost 91% of its historic wetlands, leaving just 472,800 acres of its once 5 million-acre floodplain. Friends of the Cache, local landowners, The Nature Conservancy, and a variety of government agencies formed a partnership in 1995 that has resulted in the restoration of 9,000 acres of wetlands, reducing erosion and sedimentation, improving water quality, decreasing flooding, and allowing wildlife to flourish. The success of this project has inspired efforts to restore small creeks in the watershed to their original channels.

Illinois – Grafton. After the historic 1993 floods, and extreme flooding almost biannually for more than 150 years, the town of Grafton moved 70 homes and 18 commercial properties out of the floodplain to higher ground. The restored floodplain provides more room for the Mississippi and Illinois Rivers to spread out, reducing flood levels and damages, and providing recreational opportunities during dry periods. The 1995 Mississippi River flood left Grafton relatively unscathed.

Iowa – Iowa River. After the historic 1993 floods, communities in east-central Iowa looked to change how the land along the Iowa River was being used and purchased 12,000 acres in easements along the 45-mile river corridor for flood control purposes. Over the past decade, local communities are estimated to have saved $7.6 million in flood damages.

Iowa – Louisa Levee District 8. In 1993, when an oxbow levee breached for the 17th time, farmers in the Louisa Levee District volunteered for a federal buyout program. More than 2,500 acres of cropland in the old levee district was converted into the Horseshoe Bend Wildlife Refuge, a combination of grassland, meadows, and wetlands, which provides natural flood protection and serves as a stopover for migrating waterfowl. Residents report that this project helped to reduce flooding in 1995. Relocating the farmers out of the floodplain kept their agricultural land safe from future flooding at a cost that was about 50 percent less than the estimated cost of repairing flood damages from the 1993 flood. The project also put a permanent end to repeated levee repairs and expensive damage payments.

North Dakota and Minnesota – Red River. The communities of Grand Forks, North Dakota and East Grand Forks, Minnesota have suffered through at least 12 major floods since 1871. Following severe flooding in the spring of 1997, the communities worked with the Corps to develop a flood protection strategy featuring a space to give the river room to expand. This project involved setting back levees and acquiring flood-prone property to create a 2,200-acre greenway along the Red River between the two cities. This greenway has produced considerable flood insurance savings and provides open space for year-round recreation.

Massachusetts – Charles River. Extensive suburban growth paved over much of the Charles River watershed in eastern Massachusetts, triggering flooding from stormwater runoff in Boston and other downstream communities. In 1972, the Corps abandoned a planned $100 million levee and dam flood project along the Charles River after the agency determined that upstream wetlands were preventing some $17 million worth of flood damages annually. The Corps instead developed a nonstructural plan at a fraction of the cost, the $10 million Charles River Natural Valley Storage Project. This project, which included the purchase of 8,500 acres of wetlands with a storage capacity of 50,000 acre feet of water, helped reduce major floods in 1979, 1982, 1987, and 2006. In 1987, the storage area prevented an estimated $3.2 million in damages. In 2006, the storage area reduced flooding to a 2 year event while nearby rivers were suffering 40 and 100-year flood levels. The storage area has the added benefit of providing important recreational opportunities for the Boston Metropolitan area.

Missouri – Missouri River. Severe flooding throughout the 1990s led local citizens to seek natural alternatives to structural flood control measures. Through a combination of fee title acquisition and easement acquisition, 19,000 acres on a 49 mile stretch between Boonville and Jefferson City, Missouri were purchased and set aside as flood overflow areas, including nearly 6,000 acres that were previously enclosed by levees. According to the Natural Resource Conservation Service, the Corps estimated that such reconnections of the river with its floodplain reduced flood levels in 1998 by about four feet.

Oklahoma – Mingo Creek. Once known as the flood capitol of the world, the city of Tulsa suffered the worst flood in its history in 1984. Five of the 14 deaths and $125 million of the $180 million in flood damage occurred along Mingo Creek. Rejecting the Corps' plan to build 5 structural detention sites, a team of civil engineers, urban planners, and landscape architects devised an alternative that included restoring open space where floodwater can safely overflow, creating permanent lakes, and relocating buildings from the Mingo Creek floodplain. Tulsa's flood insurance rates subsequently decreased by 25%, and repetitive loss properties declined from 93 in 1984 to just 5 in 1995.

Wisconsin – Duffy's Marsh. Located in Marquette County, Wisconsin, the Duffy's Marsh restoration project encompasses about 1,500 acres of open water, grassy wetland, and upland. The restoration work primarily involved filling agricultural ditches that drained the land. The marsh now holds approximately 55 million cubic feet of water.

Attachment B

Studies Linking the Construction of Instream River Training Structures to Increases in Flood Levels

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