

**A REVIEW OF RECENT UNITED STATES ARMY
CORPS OF ENGINEERS CHIEF'S REPORTS AND
POST-AUTHORIZATION CHANGE REPORTS**

(113-68)

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

SECOND SESSION

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U.S. House of Representatives**

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April 25, 2014

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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 "A Review of Recent United States Army Corps of Engineers Chief's Reports and Post Authorization Change Reports."

PURPOSE

The Subcommittee on Water Resources and Environment will meet on Tuesday, April 29, 2014, at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony from the United States Army Corps of Engineers (Corps) on pending Chief's Reports and Post Authorization Change Reports (PACRs).

This hearing is intended to provide Members with an opportunity to review the 11 Chief's Reports and eight Post Authorization Change Reports submitted to Congress since the last Water Resources Subcommittee hearing on Chief's Reports on June 5, 2013, and the process the Corps of Engineers undertakes when developing its projects and activities that benefit the Nation.

BACKGROUND

General: The United States Army Corps of Engineers is the federal government's largest water resources development and management agency. The Corps began its water resources program in 1824 when Congress, for the first time, appropriated funds for improving river navigation. Since then, the Corps has been involved in improving river navigation and reducing flood damage along rivers, lakes, and the coast. Along with these missions, the Corps generates hydropower, supplies water to cities and industry, regulates development in navigable waters, restores aquatic ecosystems, assists in national emergencies, and manages a recreation program. Today, the Corps is responsible for and manages nearly 1,500 water resources projects.

The Corps of Engineers plans and constructs projects for the primary purposes of navigation, flood control, beach erosion control and shoreline protection, hydroelectric power,

recreation, water supply, and environmental protection, restoration and enhancement, and for fish and wildlife mitigation of project impacts. The Corps of Engineers planning process seeks to balance economic development and environmental considerations as it addresses water resources problems. It approaches the Nation's water resources needs from a systems perspective and evaluates a full range of alternatives in developing solutions.

Studies: The first step in a Corps of Engineers water resources development process is an overview study of the project. If the Corps has done an evaluation in the area before, the new study can be authorized by a resolution of either the House Committee on Transportation and Infrastructure or the Senate Committee on Environment and Public Works. If the area has not been previously studied by the Corps, then an Act of Congress is necessary to authorize the study. Generally, studies are authorized by Committee resolution. The Committee authority to carry out these resolutions is vested in Section 4 of the Rivers and Harbors Act of 1913.

The Corps has historically performed a reconnaissance study at federal expense, subject to appropriations for each potential project. Reconnaissance studies typically take about one year to complete and cost between \$100,000.00 and \$300,000.00. This is a preliminary analysis of the costs, benefits, and environmental impacts of the project, and contains an estimate of the costs of preparing a feasibility study. According to the Congressional Research Service, approximately one-third of reconnaissance studies eventually lead to feasibility studies, with only 16 of every 100 reconnaissance studies leading to a constructed project.

If the reconnaissance study concludes that there may be a viable federal project and that a more detailed study should be undertaken, the Corps enters into a cost-sharing agreement with the non-federal project sponsor that was identified during the reconnaissance study process. The cost of the feasibility study is shared 50 percent by the federal government, subject to appropriations, and 50 percent by the non-federal project sponsor.

During the feasibility study phase, the Corps of Engineers District Office (the Corps is comprised of 38 District offices within 8 Divisions) prepares a detailed analysis on the economic costs and benefits of carrying out the project and identifies any associated environmental, social, and cultural impacts. In some cases, dozens of project alternatives are identified and reviewed. The feasibility study typically describes with reasonable certainty the economic, social, and environmental benefits and detriments of each of the alternatives, and the engineering features, public acceptability, and the purposes, scope, and scale of each of the alternatives. The feasibility study includes any associated environmental impact statement and a mitigation plan.

The feasibility study contains the views of other federal agencies and non-federal agencies on the project alternatives, a description of non-structural alternatives to the recommended plans, and a description of the anticipated federal and non-federal participation in the project.

Following completion of the feasibility study phase, the document is transmitted to the appropriate Corps of Engineers Division for review, and, if approved, is then transmitted to the headquarters of the Corps of Engineers for final policy and technical review. After a full feasibility study is completed, the results and recommendations of the study are submitted to the

Congress, usually in the form of a report approved by the Chief of Engineers. If such results and recommendations are favorable, the final step would be Congressional authorization. Project authorizations are contained in Water Resources Development Acts (WRDA's), the last of which was enacted in 2007.

Requirements: The United States Army Corps of Engineers is subject to all federal statutes, including the National Environmental Policy Act (NEPA), the Clean Air Act, the Clean Water Act, the Endangered Species Act, the Fish and Wildlife Coordination Act, and previous Water Resources Development Acts, Flood Control Acts, and Rivers and Harbors Acts. These laws and associated regulations and guidance provide the legal basis for the Corps of Engineers planning process.

For instance, when carrying out a feasibility study, NEPA requires the Corps of Engineers to include: identification of significant environmental resources likely to be impacted by the proposed project; an assessment of the project impacts; a full disclosure of likely impacts; and a consideration of a full range of alternatives, including a No Action Alternative. Importantly, NEPA also requires a 30-day public review of any draft document and a 30-day public review of any final document produced by the Corps of Engineers.

Additionally, when carrying out a feasibility study, the Clean Water Act requires an evaluation of the potential impacts of a proposed project or action and requires a letter from a state agency ensuring the proposed project or action complies with state water quality standards.

The Corps of Engineers also has to adhere to the "Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies" (P&G) developed in 1983 by the United States Water Resources Council. The Principles and Guidelines have been developed by the Council on Environmental Quality (CEQ). The P&G is intended to ensure proper and consistent planning by all federal agencies engaged in the formulation and evaluation of federal water resources development projects and activities. The P&G has defined federal objectives in pursuing water resources development projects, including defining contributions to national economic development consistent with protecting the environment.

The P&G requires the formulation of alternative plans to ensure all reasonable alternatives are evaluated, including plans that maximize net national economic development benefits, and incorporate federal, state, and local concerns. Mitigation of adverse project impacts is to be included in each of the alternatives plans reviewed in the study. The Corps of Engineers is responsible for identifying areas of risk and uncertainty in the study, with the goal that decisions can be made with a degree of reliability on the estimated costs and benefits of each alternative plan.

Typically, the plan recommended by the Corps of Engineers is the plan with the greatest net economic benefit consistent with protecting the Nation's environment. The Assistant Secretary of the Army has the discretion to recommend an alternative if there are overriding reasons based on other federal, state, or local concerns.

Agency Actions: The Nation's aging infrastructure, increased demands on the Corps of Engineers, and limited funding require the agency to focus resources on the highest performing programs and projects within the main missions of the Corps of Engineers. In January 2011, the Corps of Engineers undertook an initiative to modernize its planning activities to better align its project development process with national priorities.

Commonly referred to as the "3X3X3" approach, this planning modernization limits studies to 3 years, \$3 million, and a commitment that all 3 levels of District, Division, and Headquarters personnel are vertically integrated throughout the process and reviews. To make 3x3x3 work, planning efforts are conducted concurrently, rather than in a step-by-step method. The target length of the main report for feasibility studies should be 100 pages or less and not larger than one three-inch binder.

This planning modernization initiative is focused on risk-based scoping to more quickly define water resources needs and opportunities with a target goal of completing typical feasibility studies within 18-36 months. While not every study will meet this goal, due to complexity or local controversy, the new process should shorten the amount of time and decrease the typical cost of carrying out project studies. All Corps of Engineers studies were intended to be "3X3X3" compliant by fiscal year 2014.

When the "3X3X3" approach was initiated in January 2011, the Corps had more than 650 active studies. Since beginning the implementation of this planning modernization initiative, the Corps has reduced this group of active studies to fewer than 200. This has been accomplished by either completing ongoing studies or terminating those studies that have gotten little funding or provide questionable benefits to the Nation.

Fiscal Year 2015 Funding: The President's budget requests \$80 million for the Investigations account for fiscal year 2015. This is \$45 million less than the fiscal year 2014 appropriations of \$125 million. These funds are identified for the study of potential projects related to river and harbor navigation, flood damage reduction, shore protection, environmental restoration, and related purposes. These funds also cover the restudy of authorized projects, miscellaneous investigations, and plans and specifications of projects prior to construction.

Since June 5, 2013, 11 Chief's Reports have been submitted to Congress. To view all 11 Chief's Reports, please click the link below:

http://transportation.house.gov/UploadedFiles/Chiefs_Master.pdf

Post Authorization Change Reports: Post Authorization Change Reports (PACRs) are received from the Assistant Secretary of the Army with a recommendation of a modification to the total cost of a previously authorized project. PACRs are more commonly known as 902 fixes (derived from Section 902 of Water Resources Development Act (WRDA) of 1986). In WRDA 1986, Section 902 allows the Secretary to increase the maximum amount of a project for modifications that does not materially alter the scope or functions of an authorized project by not more than 20 percent of the total authorized project cost before notifying Congress. Any cost increase that exceeds the 20 percent threshold must come back to Congress for reauthorization.

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Since the last Water Resources and Development Act was enacted in 2007, eight Post Authorization Change Reports have been delivered to Congress. To view all the PACRs please click the link below.

http://transportation.house.gov/UploadedFiles/Civil_Works_Letters.pdf

WITNESS

Major General John Peabody
Deputy Commanding General, Civil and Emergency Operations
United States Army Corps of Engineers

**A REVIEW OF RECENT UNITED STATES ARMY
CORPS OF ENGINEERS CHIEF'S REPORTS
AND POST-AUTHORIZATION CHANGE RE-
PORTS**

TUESDAY, APRIL 29, 2014

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

The subcommittee met, pursuant to notice, at 10:07 a.m. in Room 2167, Rayburn House Office Building, Hon. Bob Gibbs (Chairman of the subcommittee) presiding.

Mr. GIBBS. The Committee on Transportation and Infrastructure, the Subcommittee on Water Resources and Environment, will come to order. Welcome.

First, I want to do a little bit of housekeeping here. I ask unanimous consent to allow Congressman Farenthold to participate in today's committee hearing.

[No response.]

Mr. GIBBS. With no objection, so ordered. Also, I ask unanimous consent that the hearing record be kept open for 30 days after this hearing in order to accept other submissions of written testimony for the hearing record.

[No response.]

Mr. GIBBS. No objection? Without objection, so ordered.

Today we are here to review the U.S. Army Corps of Engineers Chief's Reports and Post-Authorization Change Reports. And we have General Peabody as our guest. And I will yield to myself, first, our opening statement.

First, welcome again, and we are holding this hearing, the Chief's Report, and the process the Corps undertakes to develop these water resources development projects, and some of the steps the Corps is carrying out internally to accelerate the process.

The U.S. Army Corps of Engineers is the Federal Government's largest water resources development and management agency. The Corps began its water resources program in the 1800s when Congress for the first time appropriated money for improving river navigation. Today, the Corps of Engineers constructs projects for the purpose of navigation, flood control, beach erosion control and shoreline protection, hydroelectric power, recreation, water supply, environmental protection, restoration and enhancement, and fish and wildlife mitigation.

The Corps of Engineers planning process considers economic development and environmental needs as it addresses water resources challenges. The planning process addresses the Nation's water resources needs in a system context, and explores a full range of alternatives in developing solutions that meet both national and local needs.

The U.S. Army Corps of Engineers is subject to all Federal statutes, including the National Environmental Policy Act (NEPA), the Clean Air Act, the Clean Water Act, the Endangered Species Act, the Fish and Wildlife Coordination Act, and all previous Water Resource Development Acts, Flood Control Acts, and Rivers and Harbors Acts. These laws and associated regulations and guidance provide the legal basis for the Corps of Engineers planning process.

For instance, when carrying out a feasibility study, the National Environmental Policy Act, NEPA, requires the Corps of Engineers to include an identification of significant environmental resources likely to be impacted by the proposed project, an assessment of the impacts, a full disclosure of likely impacts, and a consideration of a full range of alternatives, including a no-action alternative and an action-by-other alternatives.

NEPA also requires a 30-day public review of any draft document and a 30-day public review of any final document produced by the Corps of Engineers.

Additionally, when carrying out a feasibility study, the Clean Water Act requires an evaluation of the potential impacts of a proposed project or action, and requires a letter from a State agency ensuring the proposed project or action complies with State water quality standards.

The Army Corps of Engineers also has to formulate alternative plans to ensure all reasonable alternatives are evaluated, including plans that maximize net national economic development benefits and other plans that incorporate other Federal, State, and local concerns. Mitigation of adverse impacts to be included in each of the alternative plans to review—are reviewed in the study. The Corps of Engineers also is responsible for identifying areas of risk and uncertainty in the study, so decisions can be made with some degree of reliability on the estimated costs and benefits of the alternative plan.

These planning efforts do not take place in a back room somewhere. There are public meetings as well as interagency meetings involving local, State, and other Federal agencies. Typically, a plan recommended by the Corps of Engineers is a plan with the greatest net economic benefit, and consistent with protection of the Nation's environment. However, the Corps does not have the discretion to recommend another alternative—does have, I should put it, does have the discretion to recommend another alternative if there are overriding reasons for recommending another plan, based on other Federal, State, or local concerns.

By now, many of us have seen the actual size of typical studies carried out by the Corps of Engineers. While these are complex projects that need to be reviewed by the public and other State and Federal agencies, the level of analysis required by other laws and regulations are crippling the project delivery process. We are lit-

erally studying infrastructure projects to death, but this is not solely the fault of the Corps of Engineers.

Congress needs to change the way the Corps of Engineers carries out its business. It is no longer acceptable that these studies take dozens of years to complete. Ultimately, the Federal taxpayer is on the hook for these studies and for the length of time it takes to carry them out, delaying the benefits these projects are ultimately supposedly to provide.

As we have constructed a policy-heavy Water Resources Development Act, WRDA, both the House and Senate conferees are focused on accelerating the study and project delivery process, as well as better prioritizing these worthwhile investments that the American public has relied on in the past for decades. And I am interested to have—to hear General Peabody’s testimony on what—their process they are doing to streamline and expedite the process to get these projects going. Because, as we all know, time is money. And we are falling behind in our global competitiveness by not having our infrastructure where it needs to be.

So at this time I yield to my ranking member, Mr. Bishop from New York, for any comments he may have.

Mr. BISHOP. Thank you very much, Mr. Chairman. And I thank you and committee Chairman Shuster for holding this hearing on outstanding Chief’s Reports and 902 project budget increase. This hearing is a critical step towards closure and completion of the Conference Report and final bill language for the long-awaited Water Resources Reform and Development Act. This hearing provides Congress the ability to perform one of our most important roles: oversight and review of the Army Corps of Engineers programs, and authorization of specific projects.

Before I begin my statement, I would like to welcome General Peabody here to this morning’s hearing. Thank you, sir, for your service and attention to the water engineering needs of our country. And, most importantly, for assisting the northeast coastal States as we recover from Hurricane Sandy. Thank you very much, sir.

With the passage of H.R. 3080, the Water Resources Reform Act, in October of last year, we authorized 23 Chief’s Reports that had been submitted to Congress by the Corps of Engineers. These Chief’s Reports had been completed after the last WRDA bill was passed in 2007. Since the passage of WRRDA in October 2013, 11 new Chief’s Reports have been transmitted to our committee. These 11 Chief’s Reports are the focus of this hearing.

In addition to these Chief’s Reports, we are also evaluating requests from the Corps to authorize an increase in cost of eight other projects. Collectively, this group of projects should be included in the WRRDA 2014 Conference Report, and hopefully subject to approval in both the House and the Senate within the next few weeks.

Our responsibility in this subcommittee, and as Members of Congress, is to represent the public in the review and direction of what the Army Corps of Engineers accomplishes. If we fail to execute proper oversight, two things happen. One, the administration ends up prioritizing projects and making decisions based on their set of metrics. Those metrics may or may not be the same ones that are

important to Members of Congress. Two, the process of authorizing and moving projects from design to planning to construction becomes more time-consuming, complicated, and costly.

By authorizing these 11 Chief's Reports, along with those already captured in H.R. 3080, combined with Section 902 changes for a limited number of ongoing projects, we will support what this country needs most right now: the creation and retention of real jobs and wages that will help lift our economy. Real jobs for Americans means a stronger Nation.

We too often take for granted our water infrastructure and inland water highways and harbors. It is easy to forget about the vital work the Army Corps of Engineers has done over the years to protect our communities, beaches, rivers, and coastlines. In the heat of debate it is also easy to lose sight of the importance that these projects have in employing millions of people across this great Nation.

In my opinion, the process we have embraced with this WRRDA bill reflects what we have been set here to do: to legislate cooperatively, and collectively do what is right for the country. We may disagree over how the administration manages the Army Corps, and how the Corps then performs its job. What we can agree on is that, without a commitment to sustain, maintain, and continually develop our engineering and project capacity, we will be wasting the investment that those before us have made.

So, once again, let us do our due diligence here today, authorize these projects and get WRRDA across the finish line. Thank you, and I yield back the balance of my time.

Mr. GIBBS. At this time, the chairman of the full Committee on Transportation and Infrastructure, Chairman Bill Shuster from Pennsylvania.

Mr. SHUSTER. I thank the gentleman. Congress is preparing—or prepared I should say—to re-engage in the development of our water resources and our infrastructure, to carry out that role, to prioritize the projects and activities carried out by the Army Corps of Engineers.

Historically, as I think many in this room know, water resource legislation has been enacted every 2 years to provide the oversight and the policy direction that the Corps of Engineers—and to authorize the need of the projects and improvements. But since such a measure has not been passed since 2007, Congress has been silent on needed reforms and has failed to take action to develop, maintain, and support our Nation's vital water infrastructure needs.

One of our top priorities is the development of our Water Resources Reform and Development Act, WRRDA, legislation in the House, and our work in the conference has been the importance of strengthening oversight, transparency, and accountability.

Over the last year-and-a-half this committee has held numerous public educational forums, roundtables, and hearings on the Corps of Engineers program. This process included an oversight hearing on June 5, 2013, that provided Members the opportunity to review the Chief's Reports submitted to Congress, and was an important part of the development of the House WRRDA bill that passed by

the slim margin of 417 to 3, and I am very proud to tout that number.

Today's hearing continues our strong oversight of the Corps of Engineers, and will provide Members the opportunity to review the 11 Chief's Reports and 8 Post-Authorization Change Reports submitted to Congress since June 5, 2013. This oversight hearing will be extremely valuable to our work in conference, which we are hopeful is very near to resolution. And once we finish this WRRDA bill, it is critical to get WRDAs back on a 2-year cycle to ensure Congress has a fundamental role in the development of Corps of Engineers projects and the oversight of the agency. And, as I have said many times, as soon as the President signs this WRRDA bill, we are going to start working on the next WRRDA bill for the next Congress.

I want to thank Chairman Gibbs, Ranking Member Rahall and Bishop for their hard work in this matter, and happy to say that 417 number reflects much bipartisan support for that bill. So I can't thank them enough for their good work.

And I want to thank General Peabody for your service to the Nation. If it was an easy job, running the Corps, or being at the top of the Corps, we wouldn't have given it to the Army, because we know you guys can get the job done. And with that, I yield back.

Mr. GIBBS. Thank you. I recognize the ranking member of the T&I Committee, Mr. Rahall from West Virginia.

Mr. RAHALL. Thank you, Mr. Chairman, and I do want to thank you, Chairman Shuster, subcommittee Ranking Member Tim Bishop, for holding this hearing on the outstanding Chief's Reports and project budget increases for the Water Resources Development Act Bill of 2014.

Throughout the extensive evolution of WRRDA over the last year, Chairman Shuster and I have worked in a bipartisan, transparent, and collaborative manner to ensure that proper due diligence and oversight is performed by the committee. I believe that the proof of what we can do when we work together is the WRRDA bill that will soon come out of conference.

This WRRDA bill will direct the reform Corps of Engineers project process within the reality of refined budgets and congressional expectations. It is our intent over the next 2 weeks to complete the Conference Report on the combined and revised House and Senate WRRDA bills, bring the bill back to the House for approval, and then to get it down to the White House to be signed into law.

Our combined commitment to working together will bring jobs to America and improvements to the way the Nation manages water resources and infrastructure. The hearing this morning is part of the commitment we made last year when we said that there will be no projects or programs in WRRDA that have not undergone congressional review and oversight. That is our responsibility, and one we hold as critical to maintaining our role of oversight and authorization.

So, again, I want to thank you, Chairman Shuster and Chairman Gibbs, and Ranking Member Bishop, for the cooperative manner in which we have worked together on this bill. And I do welcome Major General Peabody and thank him as well for his service to the

country, and also his staff, who worked to support the overall program of the Corps of Engineers. Thank you both for being here today.

Thank you, Mr. Chairman.

Mr. GIBBS. Yes, thank you. Today we have one witness, Major General John Peabody. He is the Deputy Commanding General of the Civil and Emergency Operations of the United States Corps of Engineers. Accompanying him is Mr. Theodore Brown. He is the Chief, Planning and Policy Division, of the United States Army Corps of Engineers.

Welcome, gentlemen. And, General Peabody, the floor is yours.

TESTIMONY OF MAJOR GENERAL JOHN PEABODY, DEPUTY COMMANDING GENERAL FOR CIVIL AND EMERGENCY OPERATIONS, UNITED STATES ARMY CORPS OF ENGINEERS; ACCOMPANIED BY THEODORE A. "TAB" BROWN, P.E., CHIEF, PLANNING AND POLICY DIVISION, UNITED STATES ARMY CORPS OF ENGINEERS

General PEABODY. Thank you, Mr. Chairman, Ranking Member Bishop, Chairman Shuster, Ranking Member Rahall, distinguished members of the subcommittee. I am honored to testify on the Corps of Engineers project planning process, recent Chief's Reports, and Post-Authorization Change Reports. Joining me is Mr. Theodore "Tab" Brown, the Corps Chief of Planning and Policy.

My full testimony includes descriptions of the six Chief's Reports that have completed executive branch review, eight potential projects that have Chief's Reports still under administration review, and eight projects with Post-Authorization Change Reports.

My written testimony also includes a more indepth discussion of Civil Works Transformation, and a discussion of the life cycle of the Corps' Civil Works project, including the planning phase, which begins with a reconnaissance study and, if warranted, proceeds to a feasibility study that identifies a viable non-Federal sponsor, and makes an investment decision recommendation to Congress and the administration in the form of a Chief's Report.

For the last several years, the Corps has been developing a strategy to address the Nation's current and future water resource needs, including the reliable performance of our infrastructure in an era of increasing physical pressures, shifting demographics, changing social values, and climate variability. This evolving strategy, which we have dubbed "Civil Works Transformation," is currently focused on four main areas: budget development transformation, infrastructure strategy, methods of delivery, and planning modernization.

I am firmly committed to this effort to improve the efficiency and effectiveness of our Civil Works program, in collaboration with sponsors, resource agencies, and national policymakers. This year we embarked on an evaluation of this strategy with the intent of capitalizing on early lessons to make some adjustments, but I remain confident that the Civil Works Transformation is the right general framework for the Corps.

Today we have made good progress. We are beginning to synchronize Corps investments with those made by other Federal, State, local, and nongovernmental organizations. We are using

risk-informed decisionmaking to improve the reliability and resiliency of our infrastructure portfolio. We have sharpened our technical competence and improved organizational efficiency by developing technical centers of expertise. We have reduced the time to deliver feasibility studies, with investment recommendations supported by high-quality analysis. And, lastly, we continue improving our enterprise metrics and business processes focused on delivering on our commitments, enhancing communications, and driving cultural change.

As one of the key elements of Civil Works Transformation, planning modernization is focused on improving the delivery of high-quality studies in order to make water resource investment recommendations. All studies must comply with key principles, including clearly defined objectives, well understood and risk-informed programming, integrated project management business processes, solid quality control, and consistent and policy-compliant communications.

Four tenants guide these planning modernization efforts: people, projects, program, and process. First, people. An effective planning program must have well-trained, experienced people with the technical skills and collaborative spirit to work with stakeholders to address complex challenges by delivering innovative solutions. Investing in them is our most critical planning priority.

Projects. Delivering a study outcome with a project investment recommendation is the whole purpose of the planning program. Since the passage of WRDA 2007, the Corps has completed 36 Chief's Reports, with an approximate estimated total cost of nearly \$28 billion. In the 3 years prior to planning modernization, which began in January of 2011, we completed 11 of those reports, 6 of which were 10 years or older, for a total net investment of \$6.6 billion. Since we began planning modernization, we have completed 25 Chief's Reports, 14 of which were 10 years or older, for a total net estimated cost of \$21 billion. It is clear that we have already made great progress because we have completed 2½ times the reports with greater complexity in less than the same amount of time since WRDA 2007 in the last 3 years.

Process. The planning process is a deliberate, incremental decisionmaking approach that assesses the full range of reasonable alternatives. This process has received considerable attention with the now-infamous 3x3x3 rule, prompted in part by Section 233 of WRDA 2007. However, the key to our ability to actualize this goal lies in the SMART—standing for Specific, Measurable, Achievable, Risk-informed, and Timely—planning approach.

And, lastly, program. This tenant focuses on coherent, total study program management. A key has been to focus resources only on those studies most likely to be completed. We have achieved this by defining active and inactive study categories, reducing the total portfolio from over 650 studies to an active portfolio that we are managing of 158. By placing over 490 studies in an inactive status, which could be activated at some future point, and terminating 19 studies, we were able to harness our energies and deliver studies to reach a conclusive outcome.

Wrapping up, I would like to finally add that certain provisions in the proposed WRRDA bills under consideration, especially elimi-

nation of reconnaissance studies, defined fixed lengths for feasibility studies, and project permitting constraints, could unduly constrain the Corps and our partner Federal agencies from exercising the same initiative that resulted in the successes we have seen in planning modernization.

Mr. Chairman, thank you again for the opportunity to be here today, and I look forward to the committee's questions.

Mr. GIBBS. Thank you, General. I will start off with some questions here. Of the 11 Chief's Reports and the 9 Post-Authorization Reports that we have here before us today that were delivered here since June of last year, this is kind of a blanket question on all of them. Has the Corps encountered any significant opposition to any of these reports? And, if so, can you generalize—generally characterize the opposition?

General PEABODY. I am not aware of any opposition to any one of those studies. In general, there are always concerns that reveal themselves during the study process, especially during the public comment period. That is why we go through the NEPA process. And we work very hard to properly address concerns through the public comment period. But I am not aware of any specific, significant opposition to any of those reports.

Mr. GIBBS. My followup question, now that you mentioned public comment period, you know, how do you respond—it doesn't necessarily have to be a NEPA issue, but I mean just a project that is being laid out there, and let's say there is certain entities that aren't happy with the proposal that is being laid out, and maybe there is an alternative plan. How do you—how does the Corps react to those alternative ideas that might be thrown out, and study that, and how do you relate back to the comments?

General PEABODY. Sir, I would say in two general ways. The first is we work very hard to balance all of the expressed concerns in a proper way, and the actual recommended alternative in the feasibility study that makes it through the Chief's Report. And the second way is we document those concerns, we address them specifically. We address how we have resolved them. Or, if they are not resolved, how we have addressed them in the final report.

Mr. GIBBS. OK. And I guess to follow through that a little bit, independent external peer reviews basically agreeing with the data the Corps is using, you know, what is the status with that, with the independent reviews, when they look at the processes and—

General PEABODY. Yes, sir. Since the passage of WRDA 2007 we have executed approximately 75 independent external peer reviews, for a total cost in excess of \$12 million.

In general, we have not found any comments that have made significant changes to our reporting. I would say, however, what this has revealed is that often times we don't document our reports with sufficient clarity, so that generates a lot of the comments that we get in the independent external peer reviews. Basically, we need to train our engineers to be better masters of the English language, and write in clearer fashion, so that our conclusions are understandable to all audiences.

Mr. GIBBS. I see, because it raises more questions that didn't have all the information.

General PEABODY. Yes—

Mr. GIBBS. That is kind of typical. We get that, too, a lot.

Another thing I would talk about, ask a question, you know, this economic downturn we have gone through, do you feel that the projects that provide economic benefits, should they receive a higher priority than projects that might be more like environmental restoration projects that maybe don't provide an economic return? I mean how do you balance that?

General PEABODY. Sir, that is kind of a judgment call. But I got to tell you, growing up on Lake Erie as a kid in the sixties, and going to Nickel Beach where it was littered with dying fishes, I am very personally sensitive to making sure that we properly care for the environment.

In my view, there is no need for the two issues to be in competition. Clearly, there is always a competition for limited resources, but both purposes are important for the Nation to prosecute, and need to be fully considered.

Mr. GIBBS. Yes. I guess one thing I have said—I am going to make this statement, so it is clear how maybe I personally feel—obviously, I think the environment is important, and we should do what we can. But I am concerned when I see the President's budget. There is a lot more—like, I don't know, several times more—investment in restoration projects than in infrastructure projects, and I am concerned that if we don't maybe prioritize our—those investments a little bit more, then we won't get the economic return, then we won't have the dollars to flow through to do the environmental stuff.

So, we have to find a balance there, and that is a concern that I have, that there might be a higher priority set on the things that, you know—find a return, but in a different way, not an economic return. So I have concerns about that.

Just quickly in 3x3x3, you know, why not 2x2x2 or 4x4x4? How did we end up with 3x3x3?

General PEABODY. You know, sir, at the end of the day we did a lot of introspection on this issue. And Mr. Brown and I were just talking about this yesterday. When it came down to it, it was our judgment that WRDA 2007 put those bounds out there between 2 and 4 years, \$2 million and \$4 million. But our judgment and our experience concluded that most—not all, but most—feasibility studies, especially ones that are well bounded geographically and by purpose, could be executed in those parameters. And so far our experience is playing that out.

Now, we do have a goal of delivering some in 18 months. Not many make that. I think Cedar Rapids is one that was close to that amount of time. But most of them are much closer to the 3 years so far.

Mr. GIBBS. OK. I will follow up then with another round of questions. But I will yield to Ms. Edwards, sitting in for Mr. Bishop.

Ms. EDWARDS. Well, thank you very much, Mr. Chairman. And also to Chairman Shuster and our ranking members, Rahall and Bishop, because I think this is a really important and timely hearing. And I appreciate, General Peabody, you and your staff being here this morning.

Also wanted just to take a moment to acknowledge—I don't have a daughter, but I get a daughter for the day—Alia Matthews, who

is with Girl Scouts Troop in Upper Marlboro 3255, and I am just glad that she is here, so she can see a Congress that is actually working and doing something today.

You know, I think Senator Cardin, Ben Cardin, and I have the honor and responsibility of representing Maryland in Congress on the authorizing committees and also on the WRRDA conference committee. And so I think I share the view of our chairman and our ranking members that we will get WRRDA completed in short order. And this bill takes us a really long way into doing that.

For our State—and we have the belief in our State that when you invest in restoring environmental infrastructure, that that actually is infrastructure investment and requires, you know, a lot of job creation in order to do that. We happen to have the fourth longest coast line in the continental United States. The Chesapeake Bay, several of its tributaries—through the Fourth Congressional District I think I have three or four tributaries that flow through the Fourth Congressional District in Maryland—these resources provide billions of dollars in economic activity for our State. And maintaining and modernizing Maryland's waterways and its ports, including the Port of Baltimore, is essential for supporting and expanding our Nation's—our State's industries and economy.

I want to ask you, because we have been engaged, obviously, with the modernization of the Port of Baltimore, its public terminals, its foreign and domestic cargo, which total about 9.6 million tons in 2013, and was equal to the prior year. The port's public and private terminals handled 652,000 cars in 2012, the most among all U.S. ports. And in 2013, automobiles and light truck tonnage increased 11.4 percent at the terminals at the Port of Baltimore. With this kind of volume, the Port of Baltimore plays a vital role in Maryland's economy, and also has a significant impact on the economy of the entire east coast, and even into the Midwest, providing for good-paying jobs for Maryland's families. And it really is one of the most important economic engines in the State.

On February 26th the Corps transmitted to Congress the Post-Authorization Change Report for Poplar Island in Maryland. Poplar Island is located on the Chesapeake Bay in Talbot County, and is currently being rebuilt by the Corps using dredge material from the Chesapeake Bay's approach channels to Baltimore. And so, I wonder, General Peabody, if you could comment for us about that project, and how it is coming along.

And then, if you would, also talk about the 3x3x3 process. Since you have been engaged in January 2011, you have really significantly reduced the number of projects that are outstanding in the process. And I think that that speaks well to what will happen in the future.

And then, lastly, General Peabody, in this year's authorization—I mean this year's administration fiscal year 2015 request for the Army Corps, it is about \$80 million. And that is \$45 million less than fiscal year 2014. Can you tell us how you would move ahead under the Civil Works Transformation Program, and prioritize where and how \$80 million in investigation dollars would be allocated?

I know that is a lot, but take it away in a minute-and-a-half.

General PEABODY. Yes, ma'am. So Poplar Island, as you discussed, is one of the Post-Authorization Change Reports that we have submitted for recommended cost increase. This is really important for the Port of Baltimore, which, as you pointed out, is one of our Nation's premier cargo handling ports because the dredge material in the port needs to be placed in upland locations, and this provides not just a place to do that, but also beneficial use for some critical habitat. I forget the exact acreage, but it is a significantly large amount. It also provides an opportunity to reliably place that dredge material for a very long period of time, multiple decades.

With regard to the 3x3x3 process, I think one of the challenges is we just started this formally 2 years ago. We started budgeting for it 2 years ago, which means the 2014 workplan is the first year we are actually starting to fund studies that are 3x3x3 compliant. So we really need to get through the execution of the 3 years of those studies and, in my judgment, at least one and perhaps 2 years beyond that, to cultivate enough lessons that we can see the trends, we can distinguish what is working and what is not working, and draw conclusions with great clarity.

I will say, however, as I tried to mention in my oral statement, that so far the early indicators are, because of the number of reports that we have executed, that it is working and it is working well.

With regard to your question about the budget amount, the reality is the Corps is a very small part of the much larger Federal Government that has an obligation to live within fiscal constraints that we are all very well aware of in these times. And the judgment of how much money we should get is up to policymakers such as yourselves. And what we will do is prioritize the most important studies and all of our training programs to fit within whatever amounts that we are allocated and appropriated.

Ms. EDWARDS. Thank you very much for your indulgence, Mr. Chairman. And, General Peabody, very politic answer there. Thank you.

General PEABODY. Thank you, ma'am.

Mr. GIBBS. Mr. Shuster?

Mr. SHUSTER. Thank you, Mr. Chairman. I wanted to stay with the 3x3x3 for a minute. And you have already started doing it from the district to the division to the headquarters consolidating those. Have you been able to determine how much time savings you have been able to squeeze out of the system when you implement that? Has it been in process long enough to be able to—

General PEABODY. I don't think we have got enough data, or have analyzed it to the point that I can tell you with any kind of precision, sir. However, as I indicated earlier, the fact that we produce 2½ times the reports in a little less than 3 years versus the 3 years prior to starting this is a good indicator that we are executing faster.

You hit on the vertical integration. To me this is perhaps the most important aspect, and it is more complex than just vertical integration, because it is horizontal integration, with all the stakeholders and resource agencies, as well. But what this allows is the people with the experience and the understanding of the policy pit-

falls and challenges that most projects face to engage much earlier with the people in the field who understand the specifics of what the sponsor needs and the specifics of the project, and then hone down and focus on the alternatives that are most likely to both achieve what the sponsor desires, and also be policy-compliant.

So we really crush out a lot of blind alleys by doing that approach.

Mr. SHUSTER. That is good. And I think that is the most important part, too. I agree with you. The 3x3x3 concept is making all three of those operations work together to get it—to move forward.

Approximately 20 percent of the 48 Chief's Reports that were authorized in the 2007 WRDA received Federal funds for construction. Of those not funded, if Congress were to authorize a public-private partnership which we have put a pilot in, how many of those Chief's Reports of those 48 would you say would have moved forward by now, if the public-private partnership were expanded?

General PEABODY. I guess we would have to know the specifics of the authorizing legislation. Each project would have to attract private investment, based on its own merits. And frankly, sir, I haven't done an analysis where I could tell you how that works. I would say that the deepening in Miami Harbor, which is being done with advance funds, is an indicator that there are projects out there that there is great interest in funding, with or without Federal investments.

And so, there is no doubt in my mind that some of them would go forward. It would just depend on the specifics of the legislation and the specifics of the attractiveness—

Mr. SHUSTER. Right.

General PEABODY [continuing]. Of the various projects to investors.

Mr. SHUSTER. Well, you mentioned the Port of Miami. What about the Port of Savannah, too? I understand that Georgia has lined up their money, they are ready to move, and there has been some concern by the Governor of Georgia that the Corps is not on the same page. But I believe this legislation will allow Savannah to move forward with their own money.

General PEABODY. Sir, I think you are aware that Savannah is one of those legacy projects that we spent years on and I think in excess of \$40 million studying. The biggest challenge with Savannah was that it is basically co-located with a national park and some pretty sensitive environmental habitat. And so, working through that was part of the challenge.

The Corps fully shares all the stakeholders' desires to get that project underway. But right now we are waiting on an authorization from the Congress, which the administration has deemed is needed before we can move forward.

Mr. SHUSTER. Which—we hope to have to you in short order.

General PEABODY. Yes, sir.

Mr. SHUSTER. Because, again, I know that to the folks in Georgia, the Governor, it has been an extremely important project. And I think they have \$230 million or \$240 million ready to go, as soon as we get that authorization out there.

So, I thank you, and I yield back.

Mr. GIBBS. Mrs. Napolitano?

Mrs. NAPOLITANO. Thank you, Mr. Chairman. And I associate myself with the remarks of my predecessors about the Army Corps' work. We are very happy with our group in the L.A. area.

The Los Angeles River Chief's Report is currently being worked on and will be finalized this year, of course. And we have advocated—several of my colleagues—on the Los Angeles River inclusion in the WRRDA. But I realize this may not happen. I would like to submit a letter, Mr. Chairman, for the record from the Los Angeles mayor, Eric Garcetti, a city of over 4 million people, urging the committee to support the locally preferred Los Angeles River.

Mr. GIBBS. So ordered.

[The information follows:]

Eric Garcetti



ERIC GARCETTI
MAYOR

April 29, 2014

The Honorable Bob Gibbs
Committee on Transportation
& Infrastructure
Water Resources
& Environment Subcommittee
United States House of Representatives

The Honorable Timothy H. Bishop
Committee on Transportation
& Infrastructure
Water Resources
& Environment Subcommittee
United States House of Representatives

Dear Chairman Gibbs and Ranking Member Bishop:

I am writing to call your attention to a critical issue for inclusion in the Water Resources Reform and Development Act (WRRDA). I support your efforts to improve the efficiency of the U.S. Army Corps of Engineers' review and approval process through WRRDA. Consistent with your goals, it is critical to provide authorization for those Corps studies that have remained active via considerable local funding. Fundamentally, the Corps' process should not hinder or delay Chief of Engineers Reports.

The City of Los Angeles has been a fully-engaged local sponsor of the Corps' L.A. River Ecosystem Restoration Feasibility Study (also known as the ARBOR Study) for 8 years. The city has committed to its 50% share of the more than \$10 million in costs, and has attracted almost \$1 million in funding from a long-standing community partner. The City has also expressed a willingness to assume more than the traditional 35% of the cost of the Study's recommended project. The ARBOR Study's project would transform 11 miles of the L.A. River within the City of Los Angeles.

The ARBOR Study has been included in federal appropriations cycles since 2006 and in two of the President's Budgets. Also, it is the first major request before Congress and the Administration in the context of the President's America's Great Outdoors initiative and Urban Waters Federal Partnership—both of which have prioritized the L.A. River. During the study's public review, at community meetings, and during official hearings, the clear majority was in favor of the Locally Preferred Plan. This plan is the most sound in terms of flood control and water management. It is also the best choice for maximizing the potential economic and social opportunities that would result from these projects.



The Honorable Bob Gibbs
The Honorable Timothy H. Bishop
April 29, 2014
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In addition to support from state and federal elected officials, the U.S. Department of Interior submitted a letter in support of the Locally Preferred Plan.

In support of the Committee's goals to focus federal investments on projects that will have the greatest impacts with the most efficient expenditures, the ARBOR Study offers an incredible opportunity to endorse a project that stems from great need, but will also multiply the federal investment across sectors--this ecosystem restoration investment will have multiplier effects across urban economies, creating jobs, raising property values, and encouraging more people to visit, and more residents to stay.

Together with its federal partner, the City of Los Angeles, as local sponsor, has been unwavering in its commitment to advance this project. Given this, I strongly urge you to support our Study and authorize its recommended project in the WRRDA.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Garcetti", with a horizontal line extending to the right.

ERIC GARCETTI
Mayor

Mrs. NAPOLITANO. Thank you. The locally preferred alternative provides the most robust ecosystem restoration outcomes, while also providing four times more jobs than the other alternatives, and will thereby be appropriately—most appropriately redress historic environmental injustices that have resulted from the river's channelization, providing new public access to natural open spaces, improving public health, stimulating regional and local economies, and enhancing the life of quality not only for the city of Los Angeles, for the whole county and the whole area of Los Angeles.

This locally preferred alternative includes both significant restoration of the Los Angeles River confluence with the Verdugo Wash near the city's border with the city of Glendale and the only substantial western bank connection providing a profound hydrological link between the Los Angeles Historic Park and the river.

I believe the L.A. River's Chief's Report is being reviewed, and I would hope that—I would like to receive, and this committee may receive an update of where it stands.

General PEABODY. Yes, ma'am. Thank you very much for the question, Congresswoman. I was actually out there in January and spent some considerable amount of time with the Los Angeles District and the South Pacific Division, reviewing the project. We did an extensive overflight. I have got a great appreciation for its importance.

The current status, as of just a couple of weeks ago, the mayor of Los Angeles, Mayor Garcetti, provided the district with a letter of support, which is great. But he put some language in that support letter that is unusual. And so we have to work through that.

For example, he asked for a cost share provision that is outside of normal statutory provisions. So we are in consultations right now, analyzing that, ma'am. And we are determining how we can continue to work with the mayor and the local sponsors to move forward. Once we have resolved that, then soon thereafter we will be able to move to a Civil Works Review Board, which is the last major check point en route to a Chief's Report. Generally, after a Civil Works Review Board is executed and votes to proceed forward with State and agency review, it takes usually about 3 months from that point to the time that General Bostick would sign the Chief's Report.

Mrs. NAPOLITANO. Would you elaborate a little bit more on the issue with the cost share? Because I am not aware of it.

General PEABODY. I don't recall the specific language, but the mayor suggested that the cost share for alternative 20 would be higher than what the Federal Government would normally cost share. Normally, the way it works is we cost share in accordance with the statutory provision associated with that particular project. In this case, as I recall, it is 65-35, which is the case for most projects.

Because the Federal Government recommendation is alternative 13 and the mayor wants to use alternative 20, which is the alternative you discussed, normally we would require that the cost share for the amount above the Federal recommendation would be 100 percent handled by the local sponsor. That is not what the mayor has suggested. So we are going through internal process to

analyze that and understand what we might be able to address the mayor's recommendation.

Mrs. NAPOLITANO. Thank you, General. And anything we can do to help, I would really appreciate being made aware of it, so we can work with you from this angle.

General PEABODY. Yes, ma'am.

Mrs. NAPOLITANO. And I certainly am very pleased about the way the Chief's Reports are coming forth, and letting us know what they are so that we are aware and can approve of moving them forward.

So, with that, I yield back the balance of my time, Mr. Chairman, and thank you so very much.

Mr. GIBBS. Thank you. Mr. Farenthold?

Mr. FARENTHOLD. Thank you very much, General. Thank you for being here. Thank you for all you do for the infrastructure in this country and otherwise.

One of the consistent complaints that I hear from businesses, and even governmental entities around the country is, "Give us some rules, and we will do our best to comply with them. Don't change the rules in the middle of the game." I am cochairman of the Texas Maritime Conference, used to represent Brownsville, Texas, until redistricting, and still actively involved in all of the ports along the Texas coast. And it was kind of disturbing to hear from Brownsville that it looks like the Corps is moving the goal posts on Brownsville. Let me give you a little bit of background.

The Port of Brownsville is working on the Brazos Island Harbor project, which is basically a widening and deepening project that has been going on now for about 7 years. I am a frequent visitor to the Port of Brownsville, back when I represented it, and after. It is, you know, one of the poorest and most underdeveloped areas of our country near the U.S.-Mexico border. And this deepening project will be hugely beneficial. It looks like the cost-benefit ratio on that exceeds six to one.

And it is my understanding that there is a very clean draft Chief's Report, and it is tracking to be final in September of 2014. But we recently found out that the Corps unilaterally decided to not go by the management protocol agreement between the National Marine Fisheries Service and the Corps agreement from December 29th of 2006, and the Corps is changing how they are interpreting that, and it looks like they are getting a potential biological problem.

The Port tells me they have worked hard with the Corps on these and other environmental issues over the past—specifically, the green turtle is an example where Brownsville has worked very well, together with the Corps, for many years. I guess my question is how—why are we shifting the rules now? Are you aware of that, and is there a reason we are doing that?

General PEABODY. Congressman, the first I became aware of this issue was this morning. So, unfortunately, I am not familiar with the details. However, I am going to follow up immediately following this hearing and check with the Southwestern Division. I am familiar with the project.

Mr. FARENTHOLD. Right.

General PEABODY. In fact, we had hoped to have a Civil Works Review Board before now. A few months ago there were some delays. In fact, I asked General Kula, the Southwestern Division commander, to do a detailed root-cause analysis of the reasons for the delays from the project. He has done that, and we are using that information to contribute to the current analysis that we are doing to potentially make adjustments to some of the specifics on how we execute planning modernization.

Mr. FARENTHOLD. And I understand—

General PEABODY. But I am going to have to follow up with you, sir.

Mr. FARENTHOLD. And I would appreciate that. I guess there is a delicate balance to strike. You know, if we want to streamline things and do our job better, faster, and more efficiently, we sometimes have got to change the way we do things. But when we change the way we do things, if we move the goal posts as part of that, that runs up the cost for everything.

And, obviously, you know, there is a cost associated with going through all of the process, both for the Corps and for whatever entity, being a public entity, or, you know, whomever, it is trying to deal with the Corps. And, obviously, costs go up as the delays go down. I think if you look at what this committee has been trying to do, whether in MAP-21 with highways, or what we passed out in WRRDA, we want to protect the environment, we want to do things safely, we want to get the job done, but we don't want to have unnecessary delay. There is cost involved in that. And so, you know, my request to you is you keep that in mind in all that you are doing, not just the Port of Brownsville.

And my final question would be what can we do to help you get your job done in a better and faster manner.

General PEABODY. That is a great question, sir. You know, there has been great collaboration and engagement with the Congress on what we are doing. I think the most important thing is to work closely with us to understand what it is that we are doing, to understand what the successes are, and understand why sometimes things don't go as people would like.

We do need a little tactical patience. The effort we are undergoing is going to take months and years to determine how well things are working. And so, just continued engagement would be the most important thing, Congressman.

Mr. FARENTHOLD. Again, thank you. I see my time has expired, so I will yield back.

Mr. GIBBS. Ms. Frankel.

Ms. FRANKEL. Thank you very much, Mr. Chair. And I also want to welcome Daishia Fare, eighth grader from Northern Middle in Maryland. Thank you for being here as part of Girls Inc. Welcome.

So—and welcome to our guests here today. Thank you for your service, appreciate it. I want to say what I am going to say—tell you with the utmost respect, but I am coming from representing a delegation of Members from south Florida who, basically, are pulling their hair out right now, in a dither. I am saying that respectfully.

And the reason for that—and I don't want to necessarily fault the Army Corps, because, you know, you look in the mirror, and

we are the enemy, the Congress—because I believe we have given much too much authority to the executive in deciding which projects are actually going to end up getting authorized, since our bill, which is bipartisan, went in the direction of authorizing Chief's Reports. And for me, I think that gives much too much power to the executive, and really removes a lot of transparency that I think the public expects and deserves.

And I want to focus on three projects in south Florida, just by example. The first is Port of Palm Beach in Palm Beach County. The second is Port Everglades in Fort Lauderdale. And then we have the Central Everglades Planning Project in Florida.

Disappointed would be the minimal word I could use to express the fact that the Chief's Reports for Port Everglades and for CEPP will not be completed in time for this next authorization. We have waited 18 years for a Chief's Report in Port Everglades. And I am going to—I will defer to Mr. Webster, and he will tell you the history of CEPP, because he worked on it when he was speaker of the house in Florida.

And what I want to say is not only are these projects very, very important for the economy of Florida—and, of course, CEPP is very important not only for the economy, but for our environment and our water resources—but both these projects have overwhelming popular support in the community, and commitments for funding from the community.

Port of Palm Beach, which I have—it is a split in our community, in terms of support. There are some who are very much in support of it, the dredging, an expansion. There is some very vocal opposition. And there is, from what I know, no commitment for any matching funds from the community. And yet, of these three projects, the only project that we have a Chief's Report for is the one at Port of Palm Beach, which there is no commitment for funding from the community.

So, my question really is, do you take into account the—either the community support of a project? Do you take into account the ability of a community to come forward and pay its share? And how—does it matter to you at all what Members of Congress communicate in regards to their—what their stakeholders are thinking?

General PEABODY. Ma'am, thank you for those questions. I am familiar with all of these projects. I am more familiar with CEPP and Port Everglades than Palm Beach.

Let me take your last question first, Congresswoman. Absolutely. We take very seriously the concerns of Congress. You are the elected constituents' representatives. You are more closely tied to them than we are. And so we do listen very closely.

I think there are some misunderstandings associated with some of the concerns that have been expressed. Let me work my way through the two that I am most familiar with. I am not as familiar with Palm Beach.

But to answer your other question about community support, there are two things that are required before I go to the specifics. The first is, before we can proceed with a feasibility study, we need a letter of support and identified viable, non-Federal sponsor. Sometimes that non-Federal sponsor's ability to support a project

changes over the course of a study. But for the most times, that does not happen.

The second thing we need to proceed forward at later stages in the study, is a Federal cost-sharing agreement with the sponsor. And we would not get to a Civil Works Review Board if we didn't go through that process.

With regard to the Central Everglades, we are very close. I committed at the Civil Works Review Board that was held last week that we would have a continuation of our Civil Works Review Board not later than the end of June. So we are less than 2 months away from continuing the Civil Works Review Board. Once we continue the Civil Works Review Board, we will then move forward to State and agency review. Within about 3 months we can expect a Chief's Report.

So, the project briefing done by the district was phenomenal, explained very clearly an extremely complicated project, one of the most complicated projects that we have seen. But the truth is that there were some documentation issues that had to be addressed. And we really held the Civil Works Review Board before our review team had been able to complete their review.

With regard to Port Everglades, one of the frustrations that people sense, as was discussed earlier, is the sense that we were moving goal posts. What generally happens when that perception is out there is the assumptions we were planning on turn out not to be valid. And so, when those assumptions change and are no longer valid, we have to go back and address the new reality that confronts us. That does result in additional time, often results in additional costs, often results in changed requirements in order to get the study forward. And, essentially, that is what happened with the Port Everglades project.

Ms. FRANKEL. Well, I thank you for your answer, not that I am happy with it. But, Mr. Chair, I will yield my time. I hope Mr. Webster will follow up on some of that.

Mr. GIBBS. OK. Thank you, General Peabody, for that long explanation.

I would like to recognize the chairman emeritus, Mr. Young from Alaska.

Mr. YOUNG. Thank you, Mr. Chairman. General, I am—really want to ask a couple of short questions on the Brownsville Harbor. You just told the gentleman, Mr. Farenthold, that you didn't really know anything about it, and that disturbs me, because this is a project that came under my chairmanship. And I believe it has gone through more firsts than anything else.

You changed it from a legacy project to a SMART project to I don't know how many different projects. You have had different managers, district managers—three, four of them, I believe—and this is a legacy project. Now, what is the problem, and why is it happening, and why are we being delayed, and why isn't it finished?

General PEABODY. Sir, I apologize, Chairman. I expect the Civil Works Review Board for that will be executed this summer. I am very familiar with the project. What I was not familiar with, to clarify, was the specific issue related to an endangered species. The

first time I heard that was this morning. So I just need time to follow up on it with the local—

Mr. YOUNG. OK. I am going to make a suggestion. First, you know, I am very—a big supporter of the Corps. And I am a little frustrated—and, frankly, a little pissed off—and I will say that out loud again, pissed off—because now you are being dictated by the Fish and Wildlife, Endangered Species, et cetera, et cetera, and nothing gets done. And those—I have seen these projects all across the United States, and it is inappropriate.

I want you to take a firm stand against an agency. And I just had it happen up in Alaska. The EPA was going to veto a project prior to you applying for a permit. There has to be a little bit of more—say, “This is our job.” And you show me where the law is wrong, and we will try to change the law. But this project started when I was chairman. Brownsville. It is a depressed area. It is a good project. We need that when the Panamax is coming in. And now we find out there is now a new system. And why that has occurred, I don’t know. Where did it come from? Who instigated it? Why was it a legacy project? And now we have to go through, you know, numerous other firsts. Don’t do that.

So, you are going to get back to me and this committee, and we are going to find out why we can’t expedite that process, get this done this summer. I don’t want to come back here next year and chew on you again if you are still in that position, because it is inappropriate.

General PEABODY. Yes, sir.

Mr. YOUNG. You have a responsibility.

General PEABODY. Yes, sir.

Mr. YOUNG. Would you like to respond, please?

General PEABODY. Sir, as I said earlier, I am absolutely committed to looking into this as quickly as possible, and getting back to you and the committee as quickly as possible on what is going on. And I still expect that we will be able to move forward with a Civil Works Review Board later this summer.

Mr. YOUNG. OK. And don’t—like I say, keep us informed. Keep this committee informed about where the process—if there is a stalemate, if someone else is getting their finger in the pie, because I want this project done.

General PEABODY. I will keep you up to speed.

Mr. SHUSTER. Will the gentleman yield?

Mr. YOUNG. Be glad to yield.

Mr. SHUSTER. While we are talking about Brownsville again, I have been to Brownsville, I know what is going on down there. There is billions of dollars’ worth of investment that this thing needs to move forward. Again, everybody in this room wants to make sure the environment is sound. But to slow it up again is the wrong thing to do.

So, I echo Chairman Young’s comments. We want to find out what is going on. Keep us informed. But this project really needs to move, because it is billions of private dollars that is going to go into that port, and it is going to help an area of the country that has seen some tough economic times. So, again, we are going to be on this one. So I appreciate that.

And the other thing is—the gentlelady from Florida, if she asked, I missed it. The Port of Everglades, which I have said to her, you know, we are going to go through this process, and—when do you expect the Port of Everglades to have a Chief's Report, roughly?

General PEABODY. Go ahead. Yes, Tab, go ahead.

Mr. BROWN. Sir, the bottom line is right now we are pretty close in terms of finalizing the issue with the biological opinion. After that we believe we can finalize the recommended plan and then move forward and finalize the report.

Mr. SHUSTER. So we are looking at months, not years?

Mr. BROWN. We are talking about months. Yes, sir.

Mr. SHUSTER. Yes, OK. Because, again, as I have committed to the gentlelady from Florida, when we get done with this bill we are going to start working on another bill, because I know how important it is to Florida. And I can assure you Don Young will be looking over your shoulder and Brownsville should be looking over your shoulder, and the Port of Everglades—or should be looking over mine, too, so I want to make sure we move that, keep that moving forward.

So, again, thank you, and I yield back.

Mr. GIBBS. Mrs. Kirkpatrick?

Mrs. KIRKPATRICK. Mr. Chairman, General Peabody, there is a project in my district that is unlike any other in the country because it seeks to protect a community of people whom, not so long ago, Congress moved into a 100-year flood plain. The Federal Government has relocated over 100 Navajo and Hopi families from tribal lands to Winslow, Arizona, pursuant to laws Congress passed in 1974 and 1980. Not only do we have a statutory responsibility for these families, but Congress and the Army Corps of Engineers share a trust obligation for the safety of American Indians.

The Little Colorado River at Winslow Levee feasibility study will have its Chief's Report by next August. And I just want to thank you, General, for committing to do that. And I thank the chairman for his commitment to begin writing the next WRDA bill as soon as we finish passing this one. And I yield back the balance of my time.

Mr. GIBBS. Mr. Webster?

Mr. WEBSTER. Thank you, Mr. Chair. I would like to follow up with the Central Everglades Planning Project. When we first started, which was—Ms. Frankel and I were both in the Florida legislature, that was—we passed a Everglades Restoration Act many years ago. And we were used to having a 50–50 commitment with the Federal Government, but us funding most of it. And we didn't see money for many years after that. We spent hundreds of millions of dollars. But in every case we needed approval. Even though the Federal dollars weren't coming, we still needed to have approval.

Is there a specific date that the board will—the Civil Works Review Board will reconvene? I mean does—so they can move forward with this?

General PEABODY. Congressman, we have not scheduled a specific date. I will receive an in-progress review report from our policy reviewers this Friday. And within the next 10 days to 2 weeks after that, I expect to have a clear understanding if any issues re-

main to be resolved. If there are no issues remaining to be resolved, then I expect we can continue the Civil Works Review Board at that time.

So, the best case scenario, I think, is the end of next month, the end of May. The worst case scenario is the end of June. And so I am absolutely committed that not later than the end of June we will continue the Civil Works Review Board. When we convene that, I will only do it because I am confident that we will be able to get to a positive vote, and then submit the report for State and agency review.

Mr. WEBSTER. May sounds really, really good. A lot better than June.

Also, can I ask a question about the Jacksonville Harbor? The Chief's Report was signed earlier this month, and now it has been submitted to the Secretary of the Army. Is there a project sort of update on what is going to happen with that Chief's Report and a timeline?

General PEABODY. Sir, the Chief's Report, once it is signed, goes two place. First, it comes to the Congress. But then it goes to Secretary Darcy's office for administration review between her office and the Office of Management and Budget. And, you know, they do their review, and once it gets through administration review, then the administration would submit it back to Congress with any independent recommendations that the administration may have, separate from the Chief. By statute, the Chief is required to give his recommendation, and then the Secretary has an equal obligation to make her own independent judgment.

Mr. WEBSTER. Is there any kind of timeline for that?

General PEABODY. Sir, I am not familiar with where that particular project is in administration review right now.

Mr. WEBSTER. OK. Yield back.

Mr. GIBBS. Mr. Rice?

Mr. RICE. General, I have heard reports—I obviously wasn't here when we started working on the Port Everglades project, but it started in the 1990s. Is that correct?

General PEABODY. Tab, do you have the timeline?

Mr. RICE. The Florida port system told me they have been working on trying to get this port dredged since 1998. Is that right?

Mr. BROWN. It has been about 17 years, sir.

Mr. RICE. You work for the Army, and you do a great job, and I appreciate your service. But—and it is very appropriate, because I think we are in a war. Not that this is the Armed Services Committee; we are in an economic war with the rest of the world. And who we are fighting for is that young lady right over there, that Girl Scout. And we are fighting for—you got kids?

General PEABODY. I have a 4-year-old. Yes, sir.

Mr. RICE. Yes. We are fighting for them. We are fighting for American competitiveness, economic competitiveness. And I think, on a fair playing field, nobody can beat us. But I think we are defeating ourselves. We are strangling ourselves with all this regulation and delay. The fact that it would—we could ever dream of taking 16 years to approve dredging a port—had that port been dredged before?

General PEABODY. Oh, yes, sir.

Mr. RICE. Yes. That it would take that long to make decisions about feasibility and environmental conditions on a port that has been dredged before that is not going to require any Federal money, I mean, the system is so very, very clearly broken.

And, I mean, we can sit here and name a whole lot of reasons why this has happened, and—but it should never happen again. How long have we been working on Brownsville?

General PEABODY. I don't have the timeline on that, sir.

But, sir, I would like to say that your point is exactly right. I mean this is exactly why we instituted planning modernization, so we could come to clear decisions on relatively predictable timelines, so that all the benefits that can accrue from these water resource projects can start. Because we can't get to construction until we do our—

Mr. RICE. I hear you, and I appreciate the concept of 3x3x3. I think 3x3x3 is too long, if we are going to compete. There are groups of people around the world in every country, every organized country except for us, that sit around and try to figure out how they can make their countries more competitive, how they can cut regulation, streamline costs, and—or reduce cost and make things more efficient.

And we have got to change our attitude. We have got to recognize that we are in an economic battle here, or we are going to continue to see jobs—and when that young lady right there graduates from college does, and my sons just did, there is not going to be anything for them. There is going to have to be a dramatic change in our attitude if we are going to compete in the world.

General PEABODY. Sir, I strongly concur with your concerns about the economic competitiveness of this Nation. I am doing everything I can to move things forward in the Corps of Engineers Civil Works Program to get to decisions so that we can remain competitive.

Mr. RICE. I mean, very honestly, particularly on a port that has been dredged, you know multiple times—let's talk about Charleston for a minute, not that Charleston has taken a tremendous amount of time, Charleston is one that I am roughly familiar with. I don't know how many times Charleston has been dredged, but it has been dredged pretty darn continuously for decades. Charleston is an incredibly economically important port. I can't imagine a scenario, just common sense, that you would run your study on Charleston on what it takes to get it to the Panamax depth, and that you would conclude that that port doesn't need to be dredged. I cannot imagine that scenario. And why it would take years to make that decision is just—it defies common sense, in my opinion. And it makes us less competitive.

But we need to create a future for our kids. We need to figure out a way to get past this. So thank you for—two things I would like to see from you. One, I want your suggestions, because I don't know. I want your suggestions on what we can do to make this dramatically different, particularly for ports that have been dredged over and over again, and are so clearly important to our national economic security.

And, two, I want to know how much money we are spending doing these studies—for example, Port Everglades—versus what it

actually costs to dredge. I want to know what the percentage is—difference—because I think we are spending an incredibly inordinate amount of money and time. And I would like to take for that to take into account opportunity costs that we have lost.

General PEABODY. In terms of the amount of money, let's talk about Savannah Harbor, which I am more familiar with. First of all, Charleston Harbor is on track for a Chief's Report next year, in 2015. And I just got an update on that last week, and it is where it needs to be, barring any unforeseen circumstances, which sometimes do arise.

But the Savannah Harbor expansion project, for example, took at least 15 years, over \$40 million, to study that project. I happened to sit on that Civil Works Review Board in a previous capacity. General Semonite, then the division commander, had a very graphic visual that showed the 27-inches-across binders documenting all the issues associated with the project.

But, sir, we have to comply with all of the statutes, policies, and regulations that we are obligated to follow. And, in this particular case, because of the confluence of the harbor with some sensitive environmental habitat, it really made the project much more complex to plow through.

Mr. RICE. Well, what I would like to know is how we can streamline that 27 inches of binder, or the statutes that you have to comply with. What I want to know is what we have got to get rid of or simplify to get—

General PEABODY. Sir, within our current legal policy and regulatory constraints, we believe planning modernization does exactly that. And all the early indicators are that it is working, and it will deliver what we think it is supposed to.

Mr. RICE. I hear you, and I appreciate that, and I think you are doing a great job, I really do. And I know you understand my concern. But I don't want you to start the sentence, "Within our current." I want to talk about what we can change within that to redefine those boundaries, and make this easier.

General PEABODY. Sir, that is for people who don't wear a uniform to—

Mr. RICE. I understand. But we are not—we need your insight, because you all work with it every day. We need your insight on what we need to change.

General PEABODY. Yes, sir.

Mr. RICE. Thank you.

General PEABODY. Yes, sir.

Mr. GIBBS. Mr. Jolly?

Mr. JOLLY. Thank you, Mr. Chairman. General, I just want to echo the concerns of my colleagues from Florida on both sides of the aisle about Central Everglades, express my urgency and disappointment on that, as well. The President has suggested it is a priority of his on—through his We Can't Wait Initiative. So I appreciate that you have demonstrated an understanding as to the urgency of it.

The only thing I would ask, as a courtesy, you mentioned you are receiving a progress report this Friday, and you think within 2 weeks you would be able to schedule a review board. Could your office commit to updating at least those of us from Florida on this

subcommittee? That puts it around May 15th, I would estimate, 2 weeks out from this Friday. Could you commit to updating us by then on a date that you could convene that board?

General PEABODY. Sir, we would absolutely keep you and the other Members of the delegation updated on the progress of moving forward.

Mr. JOLLY. Great. Thank you very much. Appreciate it.

General PEABODY. Yes, sir.

Mr. GIBBS. Ms. Frankel, did you have a followup question you want—

Ms. FRANKEL. I am fine.

Mr. GIBBS. You are fine? OK. I just got a couple things.

First of all, General, I want to thank you for all your work and attentiveness on the Cleveland Harbor dredging project for this year, getting that done, and your commitment to work with the EPA to find a solution in a future—starting next year, really, and how important that is to the economy of northeastern, northern Ohio, and at least 2,000 jobs in the Cleveland area at risk. And so it is good to know that the dredging is going to proceed on schedule this coming May, this month coming up.

I asked you a question, and I wasn't going to ask you, but I thought maybe I will ask you publicly, because I think it is important. We have had hearings on it in the past, you know, the Missouri River issue. We had—one year we had flooding, and the next year—I think I got the year right—we had drought. And can you just kind of give us an update of what the status is right now, and what the Corps is looking at on that whole Missouri River Basin issue?

General PEABODY. Thank you, Mr. Chairman. Yes, sir. Just last week we did our annual spring flood assessment. We do this every year across the Corps, look at all the basins so that we can make sure that we understand the status of snowpack, of ground moisture, of meteorological forecasts, and then anticipate and pre-position assets, if needed, to address the potential for flooding.

We did have the flood of record in recorded history of the Missouri River in 2011, as you indicated, and then we had a near-record drought just the next year. This year we do have a fairly significant snowpack in some spot locations. It is a record, or close to a record, in the upper reaches of the Missouri River Basin mostly in the Montana area.

So, we are a little bit concerned about the snowpack, but we don't currently have any meteorological forecast that would cause us to believe that we would have this almost unique confluence of very heavy snowpack and record rainfalls like we had in 2011.

The other thing is the reservoirs are still lower than normal in the Missouri River Basin. So we have more storage capacity than we might normally have to deal with additional runoff from either snow or rain. So while we are certainly not out of the woods, we won't know that until well into June. Right now we feel like we are in a good position, and we don't anticipate major flooding. Although, of course, that could always change with the weather.

Mr. GIBBS. Thank you. I appreciate that. So we—because the reservoirs are down a little bit. If we do get a large rain event like we did in 2011, we got some capacity there yet to prevent flooding.

And then we also got to—I know the challenge is balancing that, in case we don't get the rainfall. And we won't know that, of course, later—like you said, later—late this spring, early to mid-summer. So I appreciate that.

Mr. Denham made it back in, so we will go—go ahead, Mr. Denham.

Mr. DENHAM. Thank you, Mr. Chairman. Major General Peabody, thank you for joining us. This is certainly a good day for a lot of us who have been waiting for quite some time to get a number of these Chief's Reports completed. As you may know, you and your colleagues have worked for quite some time on the flood risk management project along Orestimba Creek in Stanislaus County. It is part of the San Joaquin Basin near Newman. Major General Walsh was before this committee last June and I appreciated hearing his comment on the Corps' continued commitment on the project.

I was also very pleased when the Corps submitted, last September, the final report from the Chief of Engineers, whereby you recommend authorization of a plan for flood risk management by constructing a levee there at the city of Newman, the northeast perimeter there. The city and the county are both local partners, and this project has been in the works for nearly two decades. So we are finally excited that this is actually getting done.

But I did want to ask, given all the reforms, how do you think the Corps' new 3x3x3 would have affected this project? And, additionally, if you can get this project funded by Congress, what is the Corps' estimate on delivery date? And do you anticipate any issues in completing construction?

General PEABODY. Congressman, thank you, sir, for the question. I am not familiar with that project, so I would have to look at it to be able to answer your question with any precision.

I will say that I am very confident that our planning modernization approach is working. And the 3x3x3 model works best when we have a fairly localized project that has a very direct purpose. It doesn't have a lot of complicating variables and a committed sponsor able to fund their cost share provision. Basically, it is a well-bounded and well-defined project.

Now, I will add on one other point that I think is very important, in the past we did not bound ourselves. We allowed ourselves to infinitely—almost infinitely—look at all kinds of alternatives, and get overzealous about studying the full range of possibilities.

What we have done with 3x3x3 is discipline ourselves early on to scope down the project to the most likely set of alternatives and range of approaches that are going to address the issue, and have a high possibility of success in addressing the issue. And doing that early, upfront, makes the critical difference in being able to cut out these years and years and years of study.

Mr. DENHAM. Thank you. This is certainly from a local perspective, but I would even say my colleagues here in DC—Orestimba Creek, which most people would have never heard of, have heard a lot about it because it has taken so long. And so we are looking forward not only to a new and changed process that will expedite a number of these projects, but certainly having this included in

the Chief's Reports with the rest of the WRRDA package is something that is going to be very well received at home. So thank you.

Mr. GIBBS. Mr. Sanford?

Mr. SANFORD. Thank you, Mr. Chairman. Thank you, General. Nice to see you, sir.

A quick update from my end along the coast of South Carolina. Of all things, in *The Post and Courier*, which is the main paper for—oldest paper in the United States, I believe, and the main paper there in Charleston and surrounding areas, had an op-ed—excuse me, an editorial, of all things, today. I will read just a portion of it, just to bring you up to speed from our end, and would love your thoughts.

“Six mayors along the Charleston County coast have launched an effort to get the silted Intracoastal Waterway fixed. Theirs is a commendable emergency measure to restore marine traffic, both commercial and recreational, to the key north-south artery. They hope to convince Charleston County Council to use accommodations tax and transportation sales revenues to dredge the most troubled areas—near McClellanville and the Isle of Palms near Breach Inlet. Then they hope the State will find a long-term way to keep this vital waterway open. But it's the State's congressional delegation that needs to put the most muscle into solving the problem. Keeping the Intracoastal Waterway operational is the responsibility of the Federal Government, just as it is the Federal Government's responsibility to keep the interstate highways operational. Of the Atlantic States, South Carolina ranks last in Federal funding for waterway dredging. Indeed, it has not happened at all in the past years, according to an article from reporter Prentiss Findlay. Our congressmen have made a concerted effort to obtain funding to deepen the Charleston Harbor shipping channel. They should also be working to find funding to dredge the waterway.”

Meanwhile, County Councilman Dickie Schweers—who is on my call list for today—has pointed out a number of shrimp boats are being trapped near McClellanville, they can't get in or out, and barges that run north and south of the Intracoastal Waterway can only ply their trade during high tides, in some cases.

So, I guess my question is a quick update on the Intracoastal Waterway, and what is scheduled next, and what might be scheduled next, from a funding standpoint.

General PEABODY. Thank you for that question, Congressman.

Sir, I am not familiar with the specific project, but I will dig into it. There are three points I would like to make. First of all, it is gratifying to me to hear that there are local entities who are interested in contributing funds and ensuring that our waterway system works, which I believe is absolutely critical to the economic competitiveness of the Nation.

The second point I would make, and I think is the larger point, is most people do not understand that this Nation is blessed with the largest naturally navigable inland waterway system in the world, thanks to—primarily, but not exclusively—the Mississippi River system, as well as the coastal water system that you are talking about. We have more miles of navigable waterway—12,000 miles—than the entire rest of the world, combined. And so, the ability to move goods and people by waterborne transportation,

which is the most environmentally compliant and the most economically competitive, is the cheapest way to move goods per ton-mile. It is one of the reasons why we can sustain our competitiveness, despite our relatively high tax and labor rates.

The last comment I would make is, sir, I think you are aware that, because of the fiscal pressures that we in the Corps face as part of the larger Federal Government, notwithstanding the importance of this larger system that I talked about, we have to place our limited funds on those projects that give the highest return.

So, as we go forward, one of the biggest challenges that we face in the Corps is we are going to need to make tough decisions about what infrastructure to invest in, and what not to invest in. We have recon studies in the President's 2015 budget proposal for Kentucky River and Upper Allegheny to dispose of those. There is a lock and dam on the Kentucky River that, believe it or not, went into operation during Martin Van Buren's administration. And there is no traffic that goes through there.

So, I will get back to you on your issue, sir, but I think these larger points are important for us to understand and dialogue about.

Mr. SANFORD. I understand the larger points. Appreciate it. And, again, that is the proverbial food fight each year of the Congress—

General PEABODY. Yes, sir.

Mr. SANFORD [continuing]. And how those funds get distributed. But I would just make the point, from a competitive standpoint, you know, the port in Charleston has been rated, indeed, one of the most competitive points in the entire country. And a feeder system feeding out from that port, obviously, would be the Intracoastal Waterway running both north and south. And so, from a competitive standpoint, and from a utility standpoint, there is something very wrong with barges only being able to operate at high tide, which is currently the case, in areas both north and south.

And so, we would very much appreciate you getting back to me on numbers, in terms of where things stand. And there is something wrong—if the statistic is true—it is in the newspaper, therefore it may not be true—but South Carolina being last in Federal funding for waterway dredging, given the importance of Charleston.

General PEABODY. Sir, I look forward to meeting with you to discuss those issues—

Mr. SANFORD. Yes, sir.

General PEABODY [continuing]. And I will get back to you.

Mr. SANFORD. Thanks so much.

General PEABODY. Thank you, sir.

Mr. GIBBS. Well, that concludes our hearing. And, General, I want to thank you for coming in. And hopefully we are close to finishing up the WRRDA bill, and look forward—we all look forward to working with you as we implement the new policies that will come out of there to help streamline the costs. And I would love to hear your comment you just made at the end there about our inland waterway system and the coastal waterway system, the numbers compare globally. That is interesting.

And you are absolutely right, we have been blessed with a good system, and we just need to get it updated, so we can just remain competitive and move those exports out.

So, again, thanks for coming in, and this concludes our hearing for today.

[Whereupon, at 11:26 a.m., the subcommittee was adjourned.]

**DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS**

**COMPLETE STATEMENT
OF**

**MAJOR GENERAL JOHN PEABODY
DEPUTY COMMANDING GENERAL FOR
CIVIL AND EMERGENCY OPERATIONS**

BEFORE THE

**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUB-COMMITTEE ON WATER RESOURCES AND ENVIRONMENT**

UNITED STATES HOUSE OF REPRESENTATIVES

On

**A Review of Recent the United States Army Corps of Engineers
Chief's Reports and Post Authorization Change Reports**

April 29, 2014

Mr. Chairman and distinguished members of the Subcommittee, I am Major General John Peabody, Deputy Commanding General for Civil and Emergency Operations – U.S. Army Corps of Engineers (Corps), and I am honored to be testifying before you today to discuss the project planning process for the Corps, and recent Chief's reports and Post Authorization Change reports. My testimony will provide an update of progress related to our Planning Modernization initiative, and briefly describe the six feasibility-level reports that have completed Executive Branch review since the Committee's last oversight hearing on this subject, held on June 5, 2013. These proposals fall within the main mission areas of the Corps (commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration). There are eight other projects that have reports by the Chief of Engineers but are still under Executive Branch review. Also, there are eight pending Post Authorization Change Reports that have completed Executive Branch review.

Before I discuss the planning process and the Chief's Reports for specific projects, I would like to briefly discuss several important initiatives for the Corps Civil Works program that are designed to produce, over time, a tremendously positive effect on how the Corps delivers programs and projects with efficiency and effectiveness.

For the last several years, the Corps has been developing a strategy to address major Civil Works program challenges. These challenges include how to ensure the reliable performance of key Civil Works infrastructure features in an era of increasing fiscal pressures, as well as how to respond to shifting demographics, changes in societal values, and climate variability. This evolving strategy, known as "Civil Works Transformation", is currently focused on four main areas: Planning Modernization, Budget Development Transformation, Infrastructure Strategy and Methods of Delivery. Our intent is to better equip our workforce and the Civil Works program to effectively set priorities and help meet the current and future water resources needs of the Nation in collaboration with local sponsors, resource agencies and national policy makers.

I am firmly committed to this effort to improve the efficiency and effectiveness of our Civil Works program, and I remain highly confident that Civil Works Transformation as a framework is the right general direction for the Corps. However, I also believe that, to optimize opportunities for success, any initiative must be periodically examined, understood, and updated to address shortcomings or oversights that manifest over time, but were not apparent when the initiative was first started. It is important that the Corps remain open to effects that could not be fully anticipated at the start of Civil Works Transformation, and that we measure progress and make adjustments to ensure continuous improvement over time. In general, my intent is to identify and understand Civil Works Transformation's impacts and progress to date, broaden and deepen institutional commitment to change, and energize action and accelerate momentum in moving Civil Works Transformation initiatives from idea to execution. In particular, I believe we must re-dedicate ourselves to delivering on our commitments by reinforcing and reemphasizing the efficiency and effectiveness of the Federal tax dollars that the American citizenry entrust to us and the funding provided by our non-Federal cost-sharing partners, and by focusing organizational energy on improving our business

processes. Since I assumed my duties in this position six months ago we have been examining the effectiveness of this two-year old effort by engaging leaders across the Corps from the Headquarters to the Field, and gathering their observations and ideas for how we might adjust some aspects of Civil Works Transformation to improve on it.

To date we have made good progress. We have reduced the time in delivering feasibility studies with recommendations that are supported by high quality analysis to the Administration and the Congress; we are synchronizing and integrating Corps investments with those that are being made by other federal, state, local and non-governmental organizations; we are using risk informed decision making to improve the reliability and resiliency of our infrastructure portfolio; and lastly, we are working to improve our enterprise-wide metrics and reviews to measure performance, hold leaders accountable, and fully harness our institutional energies to full effect. Over time, the cumulative effect of these efforts will result in an improved culture oriented on producing outcomes as efficiently and effectively as possible.

As one of the key elements of Civil Works Transformation, Planning Modernization is focused on improving the delivery of high quality studies in order to make investment recommendations for the development, management, and restoration of water resources. We have developed four tenets for Planning Modernization to guide our efforts. These tenets are People, Projects, Program and Process.

PEOPLE

Our people are the most valuable resource of the Corps; without them, the Corps can deliver nothing for the nation. A robust and effective planning program starts with well trained, experienced people with the technical skills and collaborative spirit to work with stakeholders and others to address complex technical, resource, policy and institutional challenges in order to devise innovative solutions to complex water resources problems. We continue to invest in our planners through mandatory planner training to establish and improve their technical expertise and resultant study quality. We have continued to refine and improve our unique and world class Planning Associates Program (over 530 graduates since 1962) that has produced many of our leaders. Finally, because there is no equivalent professional organization in the private sector that represents what Corps Planners do, we are implementing a Planner Certification program for which only the most talented will be able to earn professional credentialing. Our Planning Modernization initiative will also help the Corps maintain and improve its technical capability to identify and study potential solutions to the emerging challenges that future conditions are likely to bring.

PROJECT

The Project tenet is focused on delivering a study outcome that provides a solution for an identified water resources problem or opportunity. In general, a study outcome currently takes three forms: a) Project termination as a result of a finding of no federal interest after sufficient analysis has occurred; b) Placement in an "Inactive" status as a result of limited non-federal support or low prospects for a recommendation for an authorization of a Corps project; or c) Delivery of a Chief's Report that supports

consideration of an alternative that involves a federal investment. Since the passage of WRDA 2007, to date, the Corps has completed 36 Chief's Reports with an approximate estimated total first cost of nearly \$28 billion.

PROCESS

The Planning Process involves a deliberate incremental decision-making approach based on consideration of the full range of reasonable alternatives and an analysis of the return to the Nation from each alternative. At each stage of the planning process, the Corps works with the affected community or interests, from reconnaissance, to identifying a non-federal sponsor, executing the feasibility study, and finalizing a Chief's Report. We have focused the bulk of our Planning Modernization process efforts on the Feasibility Study aspect of the Corps Study program by implementing "SMART" Planning, which includes the now infamous "3x3x3" rule to deliver a study outcome in most cases in 3 years, for \$3 million, and ensuring vertical integration across the 3 levels of the Corps organization. While the "3x3x3" moniker is becoming well known, SMART principles are just as important to drive deep cultural change. SMART stands for Specific, Measurable, Achievable, Risk-Informed and Timely, and incorporates a new approach to Corps studies by managing the study program as a portfolio throughout the life cycle, and ensuring continuous accountability at all levels of the organization. This modernized approach to investigations reduces resource requirements, both time and money, by focusing on the key drivers in resolving water resource problems while complying with all applicable laws, policies and regulations.

The implementation of the SMART Planning Process, along with the disciplining function of the "3x3x3" rule, has accelerated delivery of Chief's Reports by resolving protracted and even intractable issues by driving the risk-informed decisions required to cut study time and costs. By requiring earlier and more intimate involvement of the entire vertical team, we have recruited the broad skill sets and experience of a range of experts whose insights have helped cut through challenges and devise solutions to long-held perceptions and misconceptions. This has resulted in tangible benefits in both time and money. For example, through the conduct of 13 rescoping charettes, we have avoided approximately \$75 million of feasibility study costs by increasing vertical team involvement and utilizing risk-based planning. To point out more specific examples, we have saved \$8 million and 4 years on the Port of Charleston 45' deepening study, and \$2.5 million and 1.5 years on the Port of Wilmington study by incorporating SMART planning principles. There are some occasions when a study's scope is determined to need more than three years or it requires a cost of more than \$3 million to complete, and the Corps is currently using a process to address this through exemption requests to support such a deviation. As we go forward, we may consider other approaches to address the fact that not all projects will fit within the 3X3X3 rule.

PROGRAM

The last tenet is focused on the total Corps Study Program, consisting of hundreds of projects authorized for study investigation. One of our early efforts in Planning Modernization was to reduce the number of studies eligible to compete for budgetary consideration. We did this by defining "active" and "inactive" categories of projects. As

indicated earlier, the “inactive” category consists of those projects that have limited non-Federal support or have few prospects for a Federal project. The active study portfolio consists of the projects which have a greater prospect to proceed forward to a Chief’s Report, such as having a non-federal sponsor able to cost share the study, having a well-bounded study that can be completed in a defined period of time for “legacy” studies, or 3 years and \$3 million for “SMART” studies. Once these categories were defined, we quickly reduced the active portfolio from 650 studies to 158 studies, and focused our resources on the active portfolio, which enabled us to accelerate the delivery of final reports (Chief’s Reports and Director’s Reports). Further, the FY14 and FY15 President’s Budgets provided recommendations for new start reconnaissance studies to address priority water resource challenges.

The current Civil Works budget is performance based. In order to achieve budget transformation goals, we must continue to prioritize Federal funding on projects and studies with the highest economic, environmental, and public safety returns from within the entire portfolio of potential investments. Under Planning Modernization, studies are being completed more quickly. This complements our efforts in the construction program to provide more value to the Nation by giving priority to the projects that offer the best returns on investment for the Nation, thereby facilitating the realization of their benefits sooner. Civil Works Transformation links national objectives, strategic goals, and current and emerging needs using a systems-based watershed approach. Collaboration with our customers, stakeholders, and the public will enable us to successfully implementing this approach.

Ensuring the continued performance of the key features of our infrastructure is becoming more costly over time, in part because of the age of the components of some of our projects, but also due to increases in the cost to repair and rehabilitate them periodically. Operational demands also continue to grow as more projects move from construction to completion, adding to our total operation and maintenance requirements. We are working on an infrastructure strategy to address these growing needs. The infrastructure strategy incorporates four focus areas: an integrated approach to manage assets, managing the system over its life cycle, evaluating whether a project or group of related projects should remain a Federal responsibility prior to making a substantial further investment, and potential alternative financing mechanisms.

Preliminary efforts in this area include the development of a national inventory of Corps assets that includes the results of an assessment of the condition of each major infrastructure component. This will help us to develop a long term strategy to manage these assets and reduce risk, as well as help us determine where priority investments need to be made. End of life cycle decisions will be made regarding which projects to retain and recapitalize, which projects to repurpose, and which projects to recommend for de-authorization and decommissioning.

Transforming the way we deliver the Civil Works program requires state of the art processes and a highly skilled workforce that is capable of responding to current and future demands. The strategy is to have reliable and efficient methods of delivery by

linking technical capabilities to uniform national standards, maintaining core competencies, and having consistent methods, processes and approaches throughout the Corps. The desired end result is high quality and timely products and services delivered to our customers and stakeholders. To that end, for example, the Corps has established Centers of Expertise for major dam safety modifications, inland navigation design, and deep draft navigation economics.

The Army Corps of Engineers has a strong tradition of working collaboratively with non-Federal interests and other Federal agencies to plan and deliver products. The current transformation initiative is no different. Our transformation partners include states, tribes and local governments, non-governmental organizations, non-profit agencies, and the public. These partnerships are increasing and will likely continue to increase as we share a common goal of having reliable and resilient infrastructure for our Nation.

I would now like to describe the life cycle of a Corps project. Typically, a project begins with a reconnaissance study performed in accordance with Section 905 (b) of WRDA 1986. The purpose of the reconnaissance study is to determine if there is a sufficient basis to undertake the additional spending that would be required to perform a more detailed, feasibility-level evaluation of the alternatives for addressing the water resources problem or opportunity. If the Corps district office completes a favorable reconnaissance report, the district commander transmits the report to the Major Subordinate Command (MSC) for approval.

Upon approval of the reconnaissance report by the MSC Commander, the district initiates negotiation of a feasibility cost share agreement and project management plan with a potential non-Federal sponsor. These documents define the scope and estimated cost of the feasibility study. Once the Corps and the non-Federal sponsor have reached agreement on these documents, the district works to concurrently develop the feasibility study and environmental documentation in accordance with applicable laws, policies, and regulations including the Nation Environmental Policy Act (NEPA). The primary purpose of a feasibility study is to investigate and identify the best way, from a national perspective, to address an identified water resources problem or opportunity.

The study must follow the six-step planning process which includes:

- Identifying the problem and opportunities
- Inventorying and forecasting conditions
- Formulating alternatives
- Evaluating alternative plans
- Comparing alternative plans
- Selecting a plan

Throughout the feasibility study there are several key checkpoints to ensure the planning process is being executed in a risk-informed and decision-focused manner transparently incorporating the full vertical Corps team, partners, and stakeholders. The first major checkpoint is to ensure alignment between all levels of the Corps and the non-Federal partners on the definition of the future without project conditions and the identification of the water resource problem(s) and potential solutions to be investigated during the study. The next major checkpoint is to confirm that both the plan formulation and selection process leading to the identification of a tentatively selected plan is consistent with applicable laws, policies, regulations, and guidance. The district progressively documents decisions, risks, and analysis throughout the study process and this documentation and information feeds into the main feasibility report. The district conducts a quality control review on the draft feasibility report and all other referenced or supporting documentation and data. The documentation and models produced will undergo agency technical review (ATR) and the Corps will initiate the independent external peer review (IEPR) process in accordance with Section 2034 of WRDA 2007.

The draft feasibility report must satisfactorily address issues identified during each of the checkpoints – e.g., prior to initiating NEPA public review, before the final ATR, during the IEPR, and at the stage of the Corps Headquarters policy review. Where possible, this is done concurrently. Upon completion of the review period and receipt of the review and legal certifications, the district commander transmits the feasibility report to the MSC. The district commander's transmittal includes a recommendation and a draft Finding of No Significant Impact (FONSI) or Record of Decision (ROD). The MSC commander performs a quality assurance review on the documents and transmits the final recommendation to Corps Headquarters, which then performs a 60 day policy review in advance of the Civil Works Review Board (CWRB). The CWRB meeting determines if the report is sufficient and ready to be released for a 30-day State and Agency Review in accordance with the Flood Control Act of 1944, as amended by 33 U.S.C. 701-1. Upon completion of State and Agency Review, the Report of the Chief of Engineers is finalized and processed and the final package includes the Agency responses to IEPR panel comments as required by Section 2034 of WRDA 2007. A signed Report of the Chief of Engineers transmits the recommendation to the Assistant Secretary of the Army for Civil Works ASA(CW), the chairpersons of the Senate Committee on Environment and Public Works, and the House of Representatives Committee on Transportation and Infrastructure. Following receipt of the Report of the Chief of Engineers, the ASA(CW) reviews the feasibility report, and works with the Office of Management and Budget (OMB), under Executive Order 12322, to develop a recommendation on behalf of the Administration on the proposed project.

When the Corps evaluates and formulates a proposed project, in comparing the costs and the economic benefits over time, it uses a discount rate that varies each year, as required under section 80 of the Water Resources Development Act of 1974 (Public Law 93-251). The Executive Branch uses a different discount rate – seven percent – for budgeting purposes to measure the performance of Corps of Engineers construction

projects whose primary purpose is to provide an economic return to the Nation. The Administration has recommended that section 80 be repealed.

Now Mr. Chairman, I would like to note some specific aspects in the proposed WRDAWRRDA 2014 legislation that could have unintended consequences on the ability of the Corps to execute our Civil Works program in an efficient, transparent and more productive manner. We take our role of providing technically sound project recommendations very seriously, and are irreversibly committed to not only continuing, but deepening the progress made to date with Planning Modernization. We are committed to streamlining our planning process, while working closely with our sponsors. All of the early evidence indicates that SMART planning is the right pathway to achieve these objectives. However, certain elements of provisions in the proposed legislation regarding the elimination of reconnaissance studies, fixed lengths for feasibility studies, project permitting and environmental streamlining, study authority resolutions, and the application of Independent External Peer Review, could actually become counterproductive. By constraining the Corps from exercising the same initiative that led to Civil Works Transformation and Planning Modernization, certain requirements could lead to a less flexible, overly restrictive program that reduces efficiency, hinders project approval, and increases the probability of a project being terminated well before a Feasibility Study can be completed, a Civil Works Review Board held, or a Chief's Report signed.

I will now provide a brief overview of the six proposed projects that have completed Executive Branch review since the oversight hearing on June 5, 2013. The Army has previously provided the results of those reviews along with the following project information to the Congress.

Canaveral Harbor, Brevard County, Florida

In February 2013, the Chief of Engineers signed a report on Navigation Improvements within the Canaveral Harbor. The plan would increase the nominal depth of the federal channel to -44 feet mean lower low water (mllw) for the inner channel and -46 feet mllw for the outer channel (middle and outer reach, widen the federal channel to a width of 500 feet, increase the diameter of two turning circles and widen the bend widener in the entrance channel.

Based upon the October 2013 price levels, the total initial project cost for this project is \$41.1 million with the federal share totaling \$29.2 million and the non-federal share totaling \$11.8 million.

Mississippi River Gulf Outlet Ecosystem Restoration, Louisiana

In September 2012, the Chief of Engineers signed a report on ecosystem restoration for the areas in the vicinity of the Mississippi River Gulf Outlet (MRGO) in Louisiana. The

project would include the restoration and protection of approximately 57,000 acres of habitat in the project area, including 14,000 acres of fresh and intermediate marsh, 33,000 acres of brackish marsh, 10,000 acres of cypress swamp, 500 acres of saline marsh and 50 acres of ridge habitat. Additionally, 71 miles of shoreline protection would be established, which includes 5.8 miles of oyster reef restoration.

Based upon the October 2013 price levels, the total initial project cost for this project, as recommended in the Chief's report, is \$3 billion with the federal share totaling \$1.95 billion and the non-federal share totaling \$1.05 billion. However, the project lacks a cost-sharing non-Federal sponsor at this time and cannot be initiated until one is identified.

Walton County Hurricane and Storm Damage Reduction, Florida

In July 2013, the Chief of Engineers signed a report on hurricane and storm damage reduction along the Gulf of Mexico shoreline of Walton County, Florida. The locally preferred plan that is being recommended would include the construction of a 50 foot wide berm at elevation 5.5 NAVD and an additional 25 feet of advanced nourishment along 18.8 miles of shoreline. Additionally, approximately 10 or 30 feet of dune width would be constructed, with the design elevation matching the existing 15 foot contour NAVD with a shoreward slope of 3H:1V. The plan would include an initial fill and four renourishments over 10 year intervals for 50 years. Initial construction would require the placement of 3,868,000 cubic yards of material with a total of 7,157,000 cubic yards for the four renourishments, averaging approximately 1,789,000 each. Material for the berm and dune construction would be dredged from a borrow site identified offshore within state waters.

Based on October 2013 price levels, the total initial project cost for this project is \$64.1 million with a federal cost share requirement of \$17.9 million and a non-federal share of \$46.1 million. The local sponsor is responsible for paying 100% of the cost associated with the LPP above the selected NED plan. The total cost for renourishment over the 50-year project life is \$107.6 million, with a federal share of \$24.7 million and non-federal share of 82.8 million.

Morganza to the Gulf, Louisiana

In July 2013, the Chief of Engineers signed a report for hurricane and storm damage risk reduction updating the Morganza to the Gulf of Mexico project in Louisiana. Since the project was authorized in WRDA 2007, more rigorous storm modeling and more robust post-Katrina design standards were applied to the project, leading to an expansion of features. Changes include increasing total levee length from 72 to 98 miles, increasing levee and structure elevations by 6 feet to 18 feet, and increasing levee widths from 40 to 200 feet wide to approximately 282 feet to 725 feet wide. The Houma Navigation Canal lock complex and Gulf Intracoastal Waterway floodgate feature would be altered, and the number of flood gates on other canals and bayous would be increased from 9 to 19 total. Environmental control structures would be

increased from 12 to 23 sets of concrete box culverts with sluice gates. The areas requiring environmental mitigation also increased from approximately 3,740 acres to 4,100 acres.

Based upon the October 2013 price levels, the total initial project cost for this project is \$10.3 billion with the federal share totaling \$6.7 billion and the non-federal share totaling \$3.6 billion.

Jordan Creek Flood Risk Management, Springfield, Missouri

In August 2013, the Chief of Engineers signed a report for flood risk management along Jordan Creek in Springfield, Missouri. The plan includes five regional detention basins with 165 acre feet of storage with a 7-8 percent decrease in flows through the downtown area. Approximately 2,100 feet of the creek channel would be widened with the top width of the channel varying between 100 feet to 360 feet. Additionally, one Railroad Bridge will be replaced and a flood diversion structure will be constructed. Annual flood damages will be decreased by 65 percent, reducing traffic interruptions and disruptions to health and safety services.

Based upon the October 2013 price levels, the total initial project cost for this project is \$20.9 million with the federal share totaling \$13.6 million and the non-federal share totaling \$7.3 million.

Boston Harbor, Boston, Massachusetts

In September of 2013, the Chief of Engineers signed a report on navigation improvements for Boston Harbor, Massachusetts. The recommended plan includes deepening and widening of the Main Channel, extending the deepening of the Main Ship Channel upstream of the Reserved Channel turning Area to Massport Marine Terminal to a depth of -45 feet and a width of 600 feet, deepening the Mystic River Channel at Medford Street Terminal and deepening and widening the Chelsea River Channel.

Based upon the October 2013 price levels, the total initial project cost for this project is \$311 million with the federal share totaling \$216.5 million and the non-federal share totaling \$94.5 million.

There are also eight other proposed projects with reports by the Chief of Engineers, which the ASA and Office of Management and Budget are in the process of reviewing. These are:

- Lynnhaven River Basin, Virginia Beach, Virginia
- Willamette River Floodplain Restoration, Oregon
- Sutter Basin, California
- Truckee Meadows Flood Control Project, Nevada

- Lake Worth Inlet, Palm Beach County, Florida
- Jacksonville Harbor, Jacksonville, Florida
- Orestimba Creek, San Joaquin River Basin, Newman, California
- Neuse River Basin, Ecosystem Restoration, North Carolina

Section 902 of WRDA 1986 sets maximum cost of Civil Works projects. If this "902 cost limit" is exceeded, additional authorization is required. The Corps of Engineers completes a Post Authorization Change Report, which is provided to Congress for consideration of reauthorization. There are eight pending Post Authorization Change Reports that have been provided to Congress for consideration of increased project authorization (awaiting reauthorization). All of these reports recommending an increase in project authorization have been recently submitted to Congress. Before the discussion of the specific reports, I would like to address cost growth of projects in general.

To minimize the likelihood that future projects will approach their Section 902 cost limits, any project exceeding authorized cost (plus inflation) is subject to review and approval at Corps headquarters prior to its inclusion in a Civil Works budget. A Life Cycle Cost and Schedule Management team has been assembled consisting of representatives covering all functional areas in the Corps. This team is identifying key action items to improve project cost management by improving Corps tools and ensuring processes, policies, guidance, regulations, and training are consistent with the appropriate emphasis on life cycle project cost management. The Corps is continuing to improve the tools, processes, policies, guidance, and regulations supporting development and management of project cost throughout the life cycle of the project.

A brief description of each report follows.

1. Roseau River, Minnesota Flood Damage Reduction Project. The Assistant Secretary of the Army (ASA(CS)) transmitted this report to Congress on January 24, 2013, based on a report of the Director of Civil Works, dated, dated September 12, 2012. The project was originally authorized in Section 1001(27) of WRDA at a total first cost of \$25.1 million, with a Federal cost of \$13.8 million and a non-Federal cost of \$11.3 million. The revised estimated first cost (updated to October 2013 price levels) is \$43.8 million, with a Federal cost of \$25.4 million and a non-Federal cost of \$18.4 million.

2. Wood River Levee System Reconstruction, Madison County, Illinois. The ASA(CW) transmitted this report to Congress on May 7, 2013, based on a report of the Director of Civil Works, dated February 11, 2013. The project (reconstruction) was originally authorized in Section 1001(20) of WRDA 2007 at a total first cost of \$17.2 million with a Federal cost of \$11.2 million and a non-Federal cost of \$6 million. The revised estimated first cost (updated to October 2013 price levels) is \$25.7 million with a Federal cost of \$16.7 million and a non-Federal cost of \$9 million.

3. Corpus Christi Ship Channel, Texas, Deep-Draft Navigation and Ecosystem Restoration. The ASA(CW) transmitted this report to Congress on August 8, 2013, based on a report of the Director of Civil Works, dated February 12, 2013. The project was originally authorized in Section 1001(40) of WRDA 2007 at a total first cost of \$188.1 million with a Federal cost of \$87.8 million and a non-Federal cost of \$100.3 million. The revised estimated first cost (updated to October 2013 price levels) is \$393.9 million with a Federal cost of \$202.6 million and a non-Federal cost of \$191.2 million.

4. Des Moines and Raccoon Rivers, Des Moines, Iowa. The ASA(CW) transmitted this report to Congress on February 12, 2014, based on a report of the Director of Civil Works, dated September 11, 2013. The project was originally authorized in Section 1001 (21) of WRDA 2007, as amended at a total cost of \$10.7 million, with an estimated Federal cost of \$6.9 million and a non-Federal cost of \$3.8 million. The revised estimated first cost is \$23.2 million with a Federal cost of \$15 million and a non-Federal cost of \$8.2 million.

5. Poplar Island, Maryland. The ASA(CW) transmitted this report to Congress on February 26, 2014, based on a report of the Director of Civil Works, dated July 22, 2013. The project was originally authorized in Section 537 of WRDA 1996 as amended, at a total cost of \$307 million. The project has been modified in the past to include both the original project and an expansion of the project. The revised estimated first cost of the modified project is \$1.234 billion, with a Federal cost of \$868 million and a non-Federal cost of \$366 million.

6. Illinois Shoreline Erosion, Interim III, Wilmette, Illinois to the Illinois-Indiana State Line (Chicago Shoreline). The ASA(CW) transmitted this report to Congress on March 19, 2014, based on a report of the Director of Civil Works, dated September 19, 2013. The project was originally authorized in Section 101(a)(12) of WRDA 1996 as amended at a total first cost of \$204 million, with an estimated Federal cost of \$110 million and a non-Federal cost of \$94 million. The revised estimated first cost is \$540.5 million, with a Federal cost of \$185.4 million and a non-Federal cost of \$355.1 million.

7. Western Sarpy and Clear Creek, Nebraska. The ASA(CW) transmitted this report to Congress on March 24, 2014, based on a report of the Director of Civil Works, dated May 14, 2013. The project was originally authorized in Section 101(b)(21) of WRDA 2000, as amended at a total cost of \$15.6 million with a Federal cost of \$9.5 million and a non-Federal cost of \$6.1 million. The revised estimated first cost of the modified project is \$43.2 million with a Federal cost of \$28.1 million and a non-Federal cost of \$15.1 million.

8. Cape Girardeau, Missouri Reconstruction. The ASA(CW) transmitted this report to Congress on April 14, 2014, based on a report of the Director of Civil Works, dated November 21, 2013. The project (reconstruction) was originally authorized by Title I of the Energy and Water Development Appropriations Act of 2004 at a total cost of \$9 million with construction as a 100 percent Federal responsibility and lands, easements

and rights-of-way a non-Federal responsibility. The revised estimated first cost is \$18.4 million with a Federal cost of \$17.7 million and a non-Federal cost of \$700,000.

Mr. Chairman, this concludes my statement. I appreciate the opportunity to testify today and look forward to answering any questions you may have.