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A REVIEW OF RECENTLY COMPLETED UNITED STATES ARMY CORPS OF ENGINEERS CHIEF'S REPORTS, PART 2

(114–41)

HEARING

BEFORE THE

SUBCOMMITTEE ON
WATER RESOURCES AND ENVIRONMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTEENTH CONGRESS

SECOND SESSION

MAY 17, 2016

Printed for the use of the
Committee on Transportation and Infrastructure

Available online at: http://www.gpo.gov/fdsys/browse/committee.action?chamber=house&committee=transportation

U.S. GOVERNMENT PUBLISHING OFFICE

20–215 PDF WASHINGTON : 2016

For sale by the Superintendent of Documents, U.S. Government Publishing Office
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May 13, 2016

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 Recently Completed United States Army Corps of Engineers Chief's Reports"

PURPOSE

The Subcommittee on Water Resources and Environment will meet on Tuesday, May 17, 2016, at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony from the United States Army Corps of Engineers (Corps) on recently completed Chief's Reports.

This hearing will provide Members with an opportunity to review the four Chief's Reports that have been submitted to Congress since the Subcommittee's February 24, 2016 hearing entitled "A Review of United States Army Corps of Engineers Reports to Congress on Future Water Resources Development and Chief's Reports."

BACKGROUND

The Corps 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' primary missions have expanded to address river and coastal navigation, reducing flood damage risks along rivers, lakes, and the coastline, and projects to restore and protect the environment. Along with these missions, the Corps generates hydropower, provides water storage opportunities to cities and industry, regulates development in navigable waters, assists in national emergencies, and manages a recreation program. Today, the Corps is comprised of 38 District offices within 8 Divisions and manages nearly 1,500 water resources projects.

The Corps plans, designs, and constructs projects for the purposes of navigation, flood control, beach erosion control and shoreline protection, hydroelectric power, recreation, water supply, environmental protection, restoration and enhancement, and to mitigate for fish and wildlife impacts. The Corps planning process seeks to balance economic development and

environmental considerations as it addresses water resources challenges. This process is intended to approach the Nation's water resources needs from a systems perspective and evaluate a full range of alternatives in developing solutions.

The first step in the Corps water resources development process is a study of a potential project. If the Corps has previously conducted an evaluation in the geographic area, 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. Generally, studies are authorized by Committee resolution, although the Committee on Transportation and Infrastructure has not approved a new study by resolution since 2010. The Committee authority to carry out study resolutions is vested in Section 4 of the Rivers and Harbors Act of 1913. If the area has not been previously studied by the Corps, then an Act of Congress is necessary to authorize the study.

Typically, the Corps enters into a cost-sharing agreement with the non-federal project sponsor to initiate the feasibility study process. The cost of a 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 appropriate Corps District Office prepares a draft study report containing a detailed analysis on the economic costs and benefits of carrying out the project and identifies any associated environmental, social, or 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 identifies the engineering features, public acceptability, and the purposes, scope, and scale of each. The feasibility study includes any associated environmental impact statement and a mitigation plan.

The feasibility study also contains the views of other federal 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 Division for review, and, if approved, is then transmitted to the headquarters of the Corps for final policy and technical review. After a full feasibility study is completed, the results and recommendations of the study are submitted to Congress, usually in the form of a report approved by the Chief of Engineers (commonly referred to as a "Chief's Report.") If the results and recommendations are favorable, the final step is Congressional authorization of the project. Project authorizations are contained in Water Resources Development Acts (WRDA's), the most recent of which was enacted in 2014.

The Corps 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, 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 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.

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 certifying the proposed project or action complies with state water quality standards.

The Corps 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 were updated in 2013, with the intention that water resources projects reflect national priorities, encourage economic development, and protect the environment. No funds have been provided through the appropriations process for the Corps to carry out the updated P&G. 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, and has defined federal objectives for pursuing water resources development projects, including contributions to national economic development consistent with protection of the environment. Typically, the plan recommended by the Corps is the plan with the greatest net economic benefit consistent with protecting the Nation's environment. For projects that have multiple purposes, the P&G recommends that such projects maximize, to the greatest extent practicable, economic development and ecosystem restoration outputs. Additionally, the Secretary of the Army has the discretion to recommend an alternative if there are overriding reasons based on other federal, state, or local concerns.

Consistent with NEPA requirements, 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 for adverse project impacts is to be included in each of the alternative plans reviewed in the study. The Corps 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.

On February 24, 2016, the Subcommittee held a hearing on 24 Chief's Reports that had been submitted to Congress since enactment of WRRDA 2014, in addition to two Reports to Congress on Future Water Resources Development pursuant to Section 7001 of WRRDA 2014. Since the date of that hearing, Congress has received four additional Chief's Reports for projects in Craig Harbor, Alaska, Encinitas and Solana Beach, California, American River, California, and West Sacramento, California. All 28 Chief's Reports that have been submitted to Congress may be reviewed at the link below:

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

CONCLUSION

As the Committee on Transportation and Infrastructure moves forward in developing the next WRDA legislation, this hearing is intended to provide Members with an opportunity to review the recently completed Chief's Reports that were not included in the Subcommittee's previous hearing.

Witness

Major General Donald "Ed" Jackson
Deputy Commanding General – Civil and Emergency Operations
United States Army Corps of Engineers

A REVIEW OF RECENTLY COMPLETED UNITED STATES ARMY CORPS OF ENGINEERS CHIEF'S REPORTS, PART 2

TUESDAY, MAY 17, 2016

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

The subcommittee met, pursuant to notice, at 10:08 a.m., in room 2167, Rayburn House Office Building, Hon. Bob Gibbs (Chairman of the subcommittee) presiding.

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

Today we are going to review the recently completed United States Army Corps of Engineers Chief's Reports that were submitted since our last hearing. Two years after the enactment of the Water Resources Reform and Development Act of 2014 [WRRDA 2014], we are returning to the regular business of enacting a Water Resources Development Act, known as WRDA, every 2 years, a commitment that Chairman Shuster and I made. WRDA bills address the needs of America's harbors, waterways, locks, dams, and other water resources infrastructure to strengthen and ensure the Nation's economic competitiveness.

Today we are holding a hearing to review four Army Corps of Engineers Chief's Reports that have been delivered to Congress since the subcommittee's previous hearing on February 24th of this year. We intend to review these critical documents to ensure they balance critical investments in infrastructure along with environmental protections.

Additionally, last Friday the Corps of Engineers delivered to Congress three Post-Authorization Change Reports, recommending modifications to ongoing construction projects at Blue River, Missouri; Turkey Creek, Missouri; and Paducah, Kentucky. And I think also in the general's comments, there are some other reports that are under executive review that we will have discussion about, too.

The Corps of Engineers constructs projects for the purpose of navigation, flood control, shoreline protection, hydroelectric power, recreation, 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 by exploring a full range of alternatives in developing solutions that meet both national and local needs.

The four Chief's Reports and three Post-Authorization Change Reports we are discussing today are the result of this rigorous planning process. These projects are proposed by non-Federal interests in cooperation and consultation with the Corps. All these Chief's Reports and Post-Authorization Change Reports, while they are tailored to meet locally developed needs, have national economic and environmental benefits. These Chief's Reports and Post-Authorization Change Reports address the mission of the Corps and the balance of economic development and environmental considerations equally.

Since these Chief's Reports and Post-Authorization Change Reports were completed and submitted to Congress subsequent to submission of the "2016 Report to Congress on Future Water Resources Development," we would like to spend some time today to just take a closer look at them.

I know this is a busy week for the Corps, as the Chief of Engineers, General Bostick, is retiring. So I am pleased that General Jackson is able to join us today for this important hearing. And I wish General Bostick all the best in his retirement.

At this time, before I turn it over to my ranking member, I ask unanimous consent that written testimony submitted on behalf of Dennis Watson, the mayor of the city of Craig, Alaska, be included in this hearing's record. It will be in your notebooks. If there is no objection, without objection, so ordered.

[The written testimony of Mr. Watson is on pages 37–51.]

Mr. GIBBS. And at this time I yield to my ranking member from California, Mrs. Napolitano.

Mrs. NAPOLITANO. Thank you, Mr. Chairman, and I apologize for being a little late. And thank you for holding today's hearing for the Corps of Engineers Chief's Reports that have been completed and submitted to Congress since our last hearing in February. Mr. Chairman, I applaud your willingness to make sure that all of the pending Chief's Reports are eligible for inclusion in the new Water Resources Development Act and for your decision to hold the hearing today. Thank you.

Since February, the committee has received completed Corps feasibility studies on the West Sacramento, California, flood risk management project; the American River Common Features, California, flood risk management project; and the Encinitas-Solana Beach, California, shoreline restoration project; and also the Craig Harbor, Alaska, navigation improvement project.

The addition of these 4 projects, it all brings the total to 28 pending Chief's Reports for the upcoming Water Resources Development Act. These important projects, that represent a diversity of project purposes and geographic regions, are the next generation of water infrastructure investment for our Nation. These projects all help to maintain and enhance the national, regional, and local economies in a variety of ways.

For example, the Los Angeles River ecosystem restoration project seeks to reconnect the Los Angeles region with its river system, maintaining important flood damage reductions benefits, and it also promotes water quality improvement and conservation, ecological restoration, and increased opportunities for the citizens of L.A. to enjoy their natural resources.

Similarly, the Everglades planning project represents an integral component to restoration of the Florida Everglades, again reconnecting the historical water flows from Lake Okeechobee—I will get it—to the Everglades, and provides the necessary elements to address the need for the clean, reliable water flows to the Everglades while also helping reduce contaminated flows to the St. Lucie and Caloosahatchee Rivers.

Several projects to enhance navigation are also pending authorization by Congress, including the project for the Port of Brownsville, Texas, that has been awaiting congressional action since November 2014.

Again, Mr. Chairman, I am pleased that we are discussing the pending Chief's Reports, and I would remind the chairman of the constraints we continue to face in utilizing Corps expertise on a host of issues within the Corps authority.

While I recognize that a small number of additional Corps study and project modifications may be eligible for the forthcoming water resources bill, they are clearly the exceptions and not the norm. As I noted at our last hearing, Congress created a new process under section 7001 of the Water Resources Reform and Development Act of 2014, and that is to address a congressionally imposed earmark moratorium.

Local sponsors argued that this new process is cumbersome, inefficient, and lacks transparency, and artificially restricts the ability of Congress to address the needs of the constituency. I would argue it also provides greater authority to the executive branch to make project and funding decisions that traditionally were the purview of the Congress.

As we continue to rally this new process as a net benefit to the Nation and to our constituents, I believe we should ask ourselves what we have gained by this new process and what we have lost by the imposition of this earmark moratorium.

Again, thank you, Mr. Chairman, for holding today's hearing, and I welcome General Jackson's testimony today.

I would also ask unanimous consent that a letter of support submitted by Representative Doris Matsui for the West Sacramento and American River Common Features Chief's Reports be entered into the record.

Mr. GIBBS. So ordered.

[The statement of Congresswoman Matsui is on pages 28–29.]

Mr. GIBBS. Thank you.

At this time I would like to welcome Major General Jackson. He is the deputy commanding general for civil and emergency operations for the Army Corps of Engineers. And also congratulations on your new assignment as the deputy commanding general. So the floor is yours, General. Welcome.

TESTIMONY OF MAJOR GENERAL DONALD JACKSON, DEPUTY COMMANDING GENERAL FOR CIVIL AND EMERGENCY OPERATIONS, U.S. ARMY CORPS OF ENGINEERS

General JACKSON. Good morning, Chairman Gibbs, Ranking Member Napolitano, and distinguished——

Mr. GIBBS. General, could you pull the mic a little closer?

General JACKSON. I have never been accused of not being loud enough.

[Laughter.]

General JACKSON. But thank you, sir. Chairman Gibbs, Ranking Member Napolitano, and distinguished members of the subcommittee, I am Major General Ed Jackson, the deputy commanding general for civil and emergency operations for the U.S. Army Corps of Engineers. Thank you for the opportunity to be here today to discuss the Chief's Reports that have been completed since our Chief of Engineers, Lieutenant General Thomas Bostick, last testified before you in February of this year.

My written testimony includes more detailed descriptions of the three Chief's Reports and three project Post-Authorization Change Reports that have completed executive branch review since General Bostick testified before this committee on February 24, 2016. I will cover these projects briefly in my remarks today.

Each of these proposed projects, with the Chief's Report cleared by the administration, falls within the main mission areas of the Corps, which include commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration.

My written testimony also identifies Corps decision documents that are still under review by the administration, including 12 potential projects that have Chief's Reports and 4 projects with Post-Authorization Change Reports.

I would now like to provide a brief overview of the three proposed projects that have completed executive branch review since the previous testimony. The Army has previously provided the results of those reviews, along with the following project information, to the Congress.

The "Kansas Citys Levees Phase 2 Chief's Report" was transmitted to Congress on March 30th of this year. This project reduces flood risk along the Missouri River and its tributaries at Kansas Citys both in Missouri and Kansas. The plan addresses the structural and geotechnic reliability of existing features, and increases the height of the existing levees and flood walls by as much as 5 feet. Based on October 2015 price levels, the total initial cost for this project is estimated at $327 million.

The "Mill Creek Watershed Chief's Report" was transmitted to Congress on March 18, 2016. This project reduces flood risk along Mill Creek in Nashville, Tennessee. The plan includes the construction of a 377-acre-foot capacity stormwater detention basin along Sevenmile Creek, modification of the Briley Parkway Bridge, and the widening of the Mill Creek Channel.

Nine residential structures would be raised above the 1-percent chance flood elevation, and 80 frequently damaged residential structures located on the flood plain of Mill Creek would be purchased and removed. Based on October 2015 price levels, the total initial cost for this project is estimated at $28.8 million.

The "Skokomish River Basin Ecosystem Restoration Chief's Report" was transmitted to Congress on April 19, 2016. This project includes ecosystem restoration improvements in and along the Skokomish River in Mason County, Washington.

Plans for ecosystem restoration consist of the removal of a levee at the confluence of the North and South Forks of the Skokomish River, installation of engineered logjams, reconnection of a historical side channel, and wetland restoration. Based on October 2015 price levels, the total cost for this project is estimated at $19.7 million.

Section 902 of the Water Resources Development Act of 1986 sets a maximum percentage cost increase for civil works projects. A further authorization is required to use Federal funds beyond the maximum authorized project cost. In these cases, the U.S. Army Corps of Engineers generally completes a Post-Authorization Change Report, which is provided to Congress if there is a recommendation for such a further authorization.

There are three of these reports that have been completed since our last testimony in February: the Blue River Basin project located in Kansas City, Missouri; the Turkey Creek Basin project, located in Kansas Citys, Kansas and Missouri; and the Ohio River shoreline project, located in Paducah, Kentucky. All three are important flood risk management projects which have completed executive branch review.

I would also like to take this opportunity to provide a brief update on the "2017 Report to Congress on Future Water Resources Development," as required by section 7001 of the Water Resources Reform and Development Act of 2014. The notice requesting proposals by a non-Federal interest for proposed feasibility studies and proposed modifications to authorized water resources development projects is anticipated to be published in the Federal Register on May 19, 2016. The deadline for non-Federal interests to submit proposals to the Corps is 120 days after the publication in the Federal Register, or by September 16, 2016.

Mr. Chairman, this concludes my statement. I appreciate this opportunity to testify today, and I look forward to answering any questions that you or members of the committee might have. Thank you.

Mr. GIBBS. Thank you, General.

At this time I want to yield to Chairman Shuster of the full committee.

Mr. SHUSTER. Thank you, General. Thanks for being here today. As you might expect, I have been talking about the Upper Ohio River and the project up there in the locks for some time now. And I just appreciate the Corps' renewed attention to looking at that study, that project, because the first time, I think, as we have been researching since we had these internal reviews for about 12 years or so, it is the first time that a study has been completed and we are stopping it because the internal review said, oh, there are more benefits than the Corps allowed for.

Typically, we go back because we have overestimated and the cost-benefit may not be as good as we thought. But in this case, again, the benefits are there. The cost-benefit is going to be great-

er. Everybody anticipates so. So again, I appreciate the Corps renewing their focus and attention on this to get this done.

This has been in the works for, I do not know, 15, 17, 18 years, and the time has come to have a good project, but I guess the fact is a better project than anticipated, to move forward. So we are looking forward to getting those studies done by early fall and being able to move this on this WRDA bill. So again, thank you for your attention on that, and I yield back.

Mr. GIBBS. OK. General Jackson, I will start because I have got a couple questions. The first question, I think, is probably the most important question, at least it is to me. I always ask about these Chief's Reports and these Post-Authorization Change Reports, and I also want to include these 11 others you mentioned in your testimony—I think the question is always important because the Corps is going through this rigorous process, working with local communities and all that.

But we as the oversight panel basically are not involved directly on it day to day. So I have to ask the question: On any of these projects that you mentioned in your testimony and you have reported to Congress since the last hearing in February, has there been any significant opposition to any of these projects? And if so, can you generally characterize the opposition?

General JACKSON. Mr. Chairman, there has been no significant opposition to any of the projects. We certainly go through the process where we do full public vetting. We look at every single thing that comes back to us and analyze that input to make sure that we are not missing anything and to make sure that we take into account the concerns of the public. But there has been no significant opposition to any of these projects.

Mr. GIBBS. Good. That is good to hear. We got that taken care of.

In your testimony, there are the two projects out in the Sacramento, California, area that are over $1 billion each for total costs. Can you describe to us what favorable benefits—the cost ratios are 4.6 to 1 and 3.2 to 1, which are good numbers.

But can you describe to us the benefits these projects provide since these 2 projects, of all the projects we are talking about in the 25 or 28 Chief's Reports we end up with, are a significant amount of money, pulling close to $3 billion, probably, total between the two. So I think we need to elaborate on those projects, what they are and what the benefits are, since they are such a big part of the bill for the funding side.

General JACKSON. Yes, Mr. Chairman. Thank you. Both of those projects are significant to the city of Sacramento for flood risk mitigation. I will talk about both of them.

The West Sacramento, California, project will reduce average flood damages by about 85 percent to the communities in West Sacramento, which we think is significant. And the American River Common Features will reduce the average damages to the rest of Sacramento by about 73 percent, which we believe is significant.

For each of the projects, the cost is high, but there is significant work that will be done. Significant work in terms of the numbers of miles of cutoff wall that will be placed in the levees. There will be a widening of features such as the Sacramento weir. There will

be significant alterations to the levees themselves to make them more resilient, to include some levee raises, some armoring, and a lot of bank protection.

The mileage counts on these are significant, for instance, the cutoff walls for the American River Common Features are 13 miles alone; the levee cutoff walls within the Sacramento system, 18.5 miles all total, include the main stems and the tributaries that make up these systems. So significant work will be done. But we believe significant benefits will be accrued to protect the citizens in Sacramento.

Mr. GIBBS. Great. I know you have a project in my district with about 1 mile of cutoff walls. Apparently there is new technology that has actually reduced the cost significantly from what they originally proposed. So hopefully that technology is being adapted nationwide.

Mrs. NAPOLITANO. Mr. Chair?

Mr. GIBBS. Yes?

Mrs. NAPOLITANO. I have got to mention that Sacramento is the capital, and it is very, very important to the people there. They have had floods, and really, it would be very helpful to get this done.

Mr. GIBBS. OK. On these projects that we have put forth, the Chief's Reports, is there any concern about the non-Federal sponsors being able to uphold their end of the cost-share agreement?

General JACKSON. Sir, as we get through our feasibility study process, this is one of the areas that we look at very closely. We want to make sure that where we have a Federal investment recommendation, there is a non-Federal cost-share sponsor that is able to and committed to meet their obligations. And in each of these cases, the non-Federal sponsor is able to provide their portion of the cost share.

Mr. GIBBS. OK. On the section 7001, how we do the reports to Congress now of projects proposed, projects out there, the law says that it has to be submitted to Congress by May 1st. The Corps was 18 days late. Was there a significant reason why you were 18 days late in submitting that 7001 report?

General JACKSON. Sir, I am not aware of a significant reason for that. Nothing with which I would need any assistance; it is internal processing that we just need to push our way through. So my apologies for that being late.

Mr. GIBBS. Yes. If it was 18 months, I would really be up in arms. But 18 days, I just thought I would mention it.

Anyway, at this time I will yield to Mrs. Napolitano, the ranking member, for any questions she may have.

Mrs. NAPOLITANO. Well, thank you very much, Mr. Chair.

General Jackson, the Army Corps does a magnificent job in my area. Even though it is not germane to today's topic, in my State we are constantly searching for ways to increase water supply and encourage water conservation.

And I have paid particular attention to actions that can be taken at the dams in my district, including Whittier Narrows and Santa Fe. Many dams are operated and maintained by the Corps. But they are authorized for other purposes other than water supply, such as flood control, navigation, agricultural water supply.

But in my opinion, given the appropriate authorization, could measures be taken at the Corps dams, all Corps dams in California and other States, that would increase water supply capabilities?

General JACKSON. Yes, ma'am. With the appropriate authorization, we can work that through all of our projects.

Mrs. NAPOLITANO. Well, it is very clear that Mother Nature is playing a lot of tricks on us. So I think we need to start preparing for some of that.

As you are aware, one of my top priorities, increasing water supply capability, is encouraging the adoption of water conservation measures in drought-prone areas. In your opinion, what more can be done by the Corps in the arid West to ensure that water that would otherwise go to waste is captured and made available for use or conserved?

And further, could you please update us on the status of section 1064(a)(2)(A) of WRRDA 2014, a section requiring a report on water supply operations in the arid regions? And when do you expect to finalize implementation guidance of this section and complete the assessment?

General JACKSON. Ma'am, generally speaking, we operate our reservoirs in a number of ways based on their authorized purposes today. We have drought contingency plans that we continue to operate that provide a different level of management for our reservoirs in times of drought. We also have issued, as you well know, many deviations to our operations control manuals to account for different climatic conditions, whether it is drought or flood.

And we are continuing to look at ways, and working specifically with L.A. County in your case, in how we can support the water conservation measures that are ongoing in L.A. County now through the different operations, different opportunities, that exist within our reservoirs in southern California.

So there are a number of things, both at Santa Fe—I know we are looking with L.A. County at sedimentation and how we might be able to increase the capacity of dams through the removal of sedimentation that allows these facilities' structures to hold the water they were designed to hold. So there is some work that needs to be done there. And at Whittier Narrows, we are continuing to try to finalize the dam safety modification reports and studies that will allow us to address the problems there. That will then allow us to do more work with water conservation measures that are intended to be in place at Whittier Narrows. So we are going to continue to work with the county to try to maximize those opportunities.

If it is OK, I would like to get back to you on the status of the implementation guidance.

Mrs. NAPOLITANO. Thank you. Will you report to——

General JACKSON. I have to flip through my pages to find the exact state of where that one is; I will get back to you on that.

Mrs. NAPOLITANO. Yes. If you would report to the committee. It is really important. I think eventually we will have to consider whether making it permanent for the Corps to have, as part of their focus, the water capture. And the sediment removal issue is a great issue, and with drought upon us and many other States, I think it is worth looking into.

General JACKSON. Yes, ma'am. I agree. And we have worked also with the Bureau of Reclamation. They are also taking a look at sedimentation in terms of their capacity to store water. So it is something that we are going to continue to work and use the science and technology that are available to us to come up with good solutions to optimize the capacities of those projects.

Mrs. NAPOLITANO. Thank you very much, Mr. Chairman.

Mr. GIBBS. Mr. Webster?

Mr. WEBSTER. Thank you, Mr. Chairman, for holding this meeting. I do not have a question, but I would like to thank General Jackson for the State of Florida and the three Chief's Reports that have come forward. They are very vital projects that we look forward to working with you on—the one in Flagler County, which is in the northeast part of our coastal area, and the coastal protection we are going to work on there is really awesome for them and, in many areas, part of their economic engine.

Then in Port Everglades, which I know Ms. Frankel is very interested in; she is down in that area, and has worked for decades trying to get that Chief's Report done. And that is going to be very, very vital to them and to that area. And it is an international trade gateway, and it is also a cruise ship haven and a great place. It is going to be a good project.

And lastly, CEPP, the Central Everglades planning project, that is crucial. The Everglades are iconic, and what you are doing there is really going to be monumental for us and for Florida. And I think that restoring the heart of that area is something that Florida has been working on for a long time with you and the Federal Government.

And then the last thing—I would just like to say that the authorization of those are certainly milestones for Florida, and they are going to be significant and very important to constructing them, but constructing them in a way that would reach into the future and certainly last for the future.

And that is why I want to thank you for your commitment to resilient construction and the use of techniques that will allow these projects to not just last for current times, but for into the future, and would also sustain storms that come our way many times in Florida.

And I look to continuing working with you on implementing what is in the current WRDA bill in that aspect because I think it is one of the most important things. You mentioned resilient here, and one other project here. I think those are important. So thank you so much for what you have done.

And with that, I would yield back.

Mr. GIBBS. Ms. Edwards?

Ms. EDWARDS. Thank you very much, Mr. Chairman. And thank you, General Jackson.

I actually do not have a question about the projects that are identified. But I want to go to the last part of your testimony, when you talked about the RFP [request for proposal] that is coming up for non-Federal projects. I think that you said that the publish date in the Federal Register is going to be May 19th, and then proposals submitted by September 16th.

When our Maryland delegation met recently with our Army Corps district leaders, and it was very helpful to understand all the projects that were going on in the State, one of the things that came forward was that we are not receiving the level of non-Federal projects in this new environment, actually, for the last couple of years. And I am concerned about that. I know that I have sent letters out to all of our municipalities and leaders to try to get them to at least look at submitting projects.

But my question is more what the Corps does to reach out at the local level to educate, to inform, to try to more aggressively seek out those non-Federal projects. Because the concern is that while I think there has been a lot of aggressive work to work through that is in the pipeline now, the question is, down the line, what will be in the pipeline? And that only comes when you do the feasibility studies and then the investigation.

So I wonder if you could speak to that, and then more specifically, what is being done, if there is anything, in each district over the next several weeks to do that kind of outreach.

General JACKSON. Well, thank you for that question. I cannot address specifically what the Baltimore District is doing locally. I will find out, and we will close the loop on that.

But generally speaking, we have mounted a significant effort because we realize that if we are not communicating the process, if we are confusing people with our process, or if people are not aware of the timelines, then we are going to miss a lot of great opportunities.

And so we are very vigilant to that. We have, first of all, tried to make sure our own team knows what right looks like. So we spend a significant amount of time and effort internally to Corps of Engineers with our districts and divisions, making sure they understand the process, making sure they understand what they have the authority to do in terms of outreach to different communities and municipalities to help folks understand how to participate in this effort.

So we have done a lot of that. We have also made sure that the Federal Register is updated with the right information. We have hosted a kickoff Webinar. We use multiple opportunities within social media, both at the district and division level and the headquarters level, to talk about this program and the milestones and the way that folks can participate in it.

I get a lot of opportunities to speak to stakeholder groups in local communities as I travel around as part of my duties. We take the opportunity to talk about this program when we have those stakeholder meetings, local meetings, et cetera, to try to get the word out.

I am a believer that there are always more ways to improve. And so we will continue to look at how we might do that better. And certainly we will work with your staff to make sure, if there are some gaps in our process or our communications plan, that you see or your staff sees, we certainly want to take advantage of closing those gaps with increased communication.

We believe this is a good program. But again, like all things, we can always do better. But we are committed to making sure that everyone understands these opportunities and how they partici-

pate, and that we make sure our communications gets out to the lowest level to sweep up all these great opportunities that you describe.

Ms. EDWARDS. But just as I close, is there a reason that there has not been a new study approved by resolution since 2010? That is a long time.

General JACKSON. Ma'am, I cannot address that. I will have to get an answer and close the loop with the committee.

Ms. EDWARDS. Thank you, Mr. Chairman.

Mr. GIBBS. Mr. Denham?

Mr. DENHAM. Thank you, Mr. Chairman.

General Jackson, the Army Corps of Engineers is currently finalizing the Lower San Joaquin River feasibility study, expecting a Chief's Report out at the end of the year. There has been an ongoing dispute about Army Corps personnel and local officials over the inclusion of a reclamation district. We refer to this reclamation district as RD–17 in the final Chief's Report.

I do not expect you to know all the details about one single irrigation district. My question is more along the lines of the thinking of the Army Corps both on flood protection, but also on new Government expansion and the development within those different areas.

It is my understanding the Army Corps personnel are interpreting an Executive order that specifically is set up to discourage growth or development. But in this reclamation district I am talking about, it currently is the home of 46,000 Americans, a county jail, a county hospital, 8 schools, 9 fire stations, 8 police stations, and also is home to Sharpe Army Depot, which has an Army Reserve unit, a Marine Reserve unit, and is an active duty Army base.

So we are, as a country, denying flood protection in an area that not only has housing and schools and fire departments, but also has a Federal active duty base that is a logistics base to the Pacific theater, as well as this is going to be the newest VA [U.S. Department of Veterans Affairs] facility, VA hospital, in the country. It is one of the next ones that will be built. Army Corps is the one that is going to be in charge of building this new facility.

So on one hand, the Army Corps is interpreting an executive decision that will discourage growth and deny flood protection in an already existing area and an existing active duty base, and on the other hand the Army Corps is going to build this new VA hospital. We are expecting it to come in on time and on budget. But if you are not going to provide the flood protection, I assume you will have to change the criteria of this new VA facility, which will, if you are changing the criteria, obviously run up costs and delays.

I would like an answer on what your philosophy would be on both the flood protection side of this, Corps responsibility to the Corps; but secondly, on a new VA facility that the Army Corps will now be constructing.

General JACKSON. I cannot talk specifically about that project because I do not have all the details. But I will certainly follow up with you on that.

Philosophically, I think the Corps takes every opportunity and responsibility for our role in Federal flood risk management seri-

ously. So I am not sure how our local district or our division is interpreting an Executive order, but that is certainly something that we at the headquarters level will dig into after this hearing and get a response back to you on that because we certainly do not, as an organization, want to take any position where we discourage growth. In fact, I think what we do very well in the Corps of Engineers is find opportunities to meet all the competing requirements that will allow us to grow our economy and allow communities to prosper. So I owe you some feedback on your specific issue.

And on the Veterans Administration facility, certainly that comes into play, as does a Federal installation, but no different than a community, in my mind, in terms of our responsibilities to take a hard look at the problem set. So if you would be willing to let me come back to you on that and give you a more details answer and clarify where we may have some confusion in the lower part of our ranks, I will be glad to do that, sir.

Mr. DENHAM. Thank you. Specifically, I would like you to get back to me on this Lower San Joaquin feasibility study as well as RD–17, the 200-year flood protection.

But let me follow up with one final question. So the Army Corps is now, I believe for the first time, going to be building—the VA has not done a great job of controlling costs. So we are looking forward to the Army Corps stepping that up and controlling costs. The question would be: How do you control costs if the Army Corps is not creating flood protection and now instead is going to develop a VA facility? I assume that you are aware of the new rule of building VA facilities. If your number one project is going to have changes, how do you control those costs?

General JACKSON. Well, sir, we will control the costs with the VA program that we have been given the responsibility to execute as we would for any of our other projects. I think one of the things that we are looking at in our designs in general is how to make buildings more resilient. And I do not know the specifics of where this VA hospital is located with regard to the flood plain.

Obviously, levees and flood protection are a multilayered array for us. We certainly use structural measures, such as raising different parts of the VA hospital, or putting mechanical systems on a higher floor, as part of our standard design to account for other contingencies, and layers of protection with our flood risk management program.

So I will get back to you on the specifics of how this is designed based upon where it is situated on the ground in relation to the flood plan that you described, and also will do that in line with the answer to where we stand on the flood protection issues, for the communities that you are talking about.

Mr. DENHAM. Thank you. And just in closing, I would like to invite you out to the area. I think it is a very unique opportunity, since we have the new VA facility as well as Sharpe, as well as going with this new feasibility study. As your time permits, we would love to invite you out.

General JACKSON. Congressman, thank you very much.

Mr. DENHAM. I yield back. Thank you.

Mr. GIBBS. Ms. Johnson? No questions?

Ms. JOHNSON. No. No questions.

Mr. GIBBS. Ms. Esty, then?

Ms. ESTY. Thank you, Chairman Gibbs and Ranking Member Napolitano, for holding today's important hearing to review the U.S. Army Corps of Engineers Chief's Report.

Today's hearing is an opportunity for us to find new and creative ways to approach solving our water resources challenges. And one of the challenges that we face in my home State of Connecticut is flood mitigation. Flooding in Connecticut illustrates how flood prevention and mitigation efforts are important to our economy.

It is particularly true for Connecticut's Fifth Congressional District that I represent, especially for the city of Meriden. The city of Meriden has experienced eleven 100-year floods in the last 150 years, accumulating $26 million worth of property damage as the result of two floods alone in the 1990s.

So we have made an application, the city, for a Continuing Authorities Program project. But the program is substantially oversubscribed and underfunded. Obviously, it is our responsibility in Congress to deal with the underfunding point. But I do want to note that in the last WRDA reauthorization, the Corps was required to publish criteria for prioritizing Continuing Authorities Program projects, and to annually report on the status of those projects.

So I am asking—and I realize you may not, given the subject matter today being on the Chief's Reports—but would like, if you could get back to me, if not today, on what is the status of that program? What is the status of the prioritization criteria that are being used for these important projects? Thank you.

General JACKSON. Yes, Congresswoman. I will be glad to get back to you on that. Thank you.

Ms. ESTY. Thank you. Really appreciate it. And again, these Chief's Reports are very, very important. But for smaller projects where Federal funding can provide that linchpin to bring funding together from local communities, State, everybody pitching together, that is the way we are going to get a number of these important projects done.

And we're matching Department of Transportation, HUD [U.S. Department of Housing and Urban Development] funds, State, local, and we have got a critical funding piece we are still trying to fill in. And it is a perfect opportunity for a CAP [Continuing Authorities Program] project, but again, we know it is oversubscribed, and we would really like help in understanding the criteria that you are using.

And again, thank you for your work. And my grandfather helped supervise these projects of building locks and dams on the Mississippi River in the 1940s and 1950s, so I come with decades of appreciation for the important work that you do. And I want to thank you for appearing before us today and for the work you do every day to help keep our citizens safe and properties intact. Thank you very much.

General JACKSON. Thank you, Congresswoman.

Ms. ESTY. With that, I yield back.

Mr. GIBBS. Mr. Davis?

Mr. DAVIS. Thank you, Mr. Chairman. I am glad to follow my colleague Ms. Esty because as someone who represents part of the

Mississippi River, unfortunately your grandfather is one of the last ones to work on those projects. And ironically, that is part of my questions today.

I was very disappointed, General Jackson, to see that the President did not put a request for funding for NESP [Navigation and Ecosystem Sustainability Program]. As you know, this funding, if it would have been requested, if we can get it implemented, would continue to design and engineer the upgrades along the Mississippi and Illinois River waterway systems.

And even in 2010, the Corps, you, and industry, jointly listed one of those projects, La Grange, as a priority authorized project. And yet here we are once again with no money in the President's budget. So how much of a priority is the Upper Mississippi system in the Corps' priority list?

General JACKSON. Congressman, those requirements are high priorities for the Corps. I know that we have been asked by the administration to go back and take a look at a few things, which we are attempting to do. That will help inform a future way ahead on investments on those systems.

Mr. DAVIS. OK. If you are truly serious about moving these priority projects forward, then can you tell me why the President did not request a single dollar in his budget?

General JACKSON. Sir, I cannot answer that question.

Mr. DAVIS. OK. On to a brighter subject. Just recently, we worked to pass a bill, H.R. 3114. I worked with my colleague, Mrs. Napolitano, to permanently authorize the Corps of Engineers to continue funding the Veterans' Curation Program.

I had the opportunity to visit the Veterans' Curation Program in the St. Louis District twice, meet some of the veterans that it is helping to move into the curation career, a career in curation and other fields, other related fields. Can you give an update to this committee on the Veterans' Curation Program and what the implications of permanently authorizing funds for the program will be?

General JACKSON. Sir, I cannot give you specific details. I am not prepared to do that today. But I can follow up with the committee and provide some significant details on that.

I would like to just say to the committee, thanks. As a veteran, and I know there are many veterans here today, I appreciate everything that the Congress does to help our veterans transition, both Wounded Warriors and those who are leaving service, to find meaningful employment where they can continue to serve. So, sir, thank you for your efforts and leadership in bringing that to bear.

Mr. DAVIS. It was a pleasure to work with the Corps of Engineers and also Mrs. Napolitano on this important subject. And I hope you are able to implement this program permanently very quickly. As we move forward, I am pleased to see that the Senate is going to take up our bill. They just move things even a little bit slower than us, but sometimes not as slow as some agencies.

Are you familiar with the NGA's [National Geospatial-Intelligence Agency's] proposed site in St. Louis, Missouri, and the process that that decision went through?

General JACKSON. Congressman, I am not familiar with that, no.

Mr. DAVIS. OK. Let me familiarize you with that somewhat. The NGA was selecting a site to be built in the Midwest within a 25-

mile radius of the St. Louis area, which included an area that is adjacent to my district next to Scott Air Force Base. A Corps-completed study was utilized as justification during this process, and it was riddled with errors.

As a matter of fact, there was a delegation, a bipartisan delegation, that met with the NGA officials and the Corps of Engineers officials just last week on the Senate side, and I specifically asked the individuals there to make sure the next time anybody from the Corps was here, that they were fully briefed on this.

This study included a St. Clair County that was adjacent to a river that does not exist in St. Clair, Illinois. I mean, the study was so bad and error-filled that even the director of the NGA said he did not even use the study to make his final decision.

The Corps needs to take a serious look. If you are going to be the experts, the issue area experts, on where to locate Federal agencies like the NGA, get it right. This is unacceptable and will be completely unacceptable in the future to see something like this happen again. We cannot move rivers to St. Clair County, Illinois, to match up with your studies.

That needs to be fixed, and it needs to be fixed yesterday, because that is an important project that could have and should have had better consideration on the Illinois side for the security that the NGA needs. And instead, your study, that was flawed and failed and error-ridden, was used to move it to a different location.

So I would hope that in the future when you come back, I will ask you about that study again, and I would like some more detailed answers as to why the errors were in there and why that was not edited before it got to the point where it was used as part of the decision.

So with that, General, go ahead.

General JACKSON. No, Congressman. I just wanted to say thank you for bringing that to my attention. I am not aware of that report. I certainly will follow up, get more details, and I will follow up with you and then be prepared to talk the next time we have the opportunity. Thank you.

Mr. DAVIS. Thank you. Yield back.

Mr. GIBBS. Ms. Frankel?

Ms. FRANKEL. Thank you, Mr. Chair. Thank you, General, for being here.

I want to follow up on Mr. Webster's—from Florida—his comments. First, I agree with him. Thank you. We finally have some projects that we got the Chief's Report. But it seems to me what I am learning is you have to really live a very long time to see these projects through because there always seems to be some kind of roadblock.

I want to ask you first about some of the Everglades projects, which are very important to Florida, because it is our drinking water, basically. And specifically, the Broward County Water Preserve Areas and the Biscayne Bay coastal wetlands, they were authorized under WRRDA 2014.

Now, the projects are somewhat stuck, we are being told, in the PPA [project partnership agreement] phase. My question to you is this. Does the Corps require that money actually be in the Presi-

dent's budget for construction and for executing these agreements before these agreements are completed?

General JACKSON. Yes, ma'am. We are required to have funds available before we commit the Federal Government to a contract or any other such future expenditure. We are not authorized without the proper authority.

Ms. FRANKEL. OK. So that is what—and how long does it usually take to get one of these agreements ironed out?

General JACKSON. Let me reach back to my smart guys back here.

[Pause]

General JACKSON. We will get back to you on specifics. But the bottom line is we have model agreements that we have used over time for a lot of different PPAs that allow us to move much faster. Many of the projects—and I am somewhat familiar with the Everglades projects because of my recent command in the South Atlantic Division are very unique and very complicated and do not quite fit in the model PPA construct. So they take a little bit longer to put together and to get approved through the administration.

But we do have a standard that we use to try and make it go faster. And then where at all possible, we try to fit these agreements into these models so we can get them done more quickly. But they do not always fit.

Ms. FRANKEL. OK. Because it sounds like it could actually expand the amount of time that it takes to get something done.

General JACKSON. We are trying not to. We are trying to use these agreements as a way of expediting things.

Ms. FRANKEL. All right. Now I want to talk about Port Everglades, just as an example, but it would be a question that would probably apply to many, many authorized projects once you get a Chief's Report.

As my colleagues have heard me say before, it took about 18 years to finally get the Chief's Report for Port Everglades. But thank you. We got it. And I know in obtaining the Chief's Report, the project has to go through a cost-benefit analysis and has to meet certain criteria before it gets the seal of approval from the Army Corps.

Now what we are learning is that OMB [Office of Management and Budget] uses a different formula for its cost analysis. So after spending 18 years, millions of dollars going through the process, if OMB changes the formula, they can actually stop a project. And it does not make sense to me that everybody is not on the same page. Does it make sense to you?

General JACKSON. No, ma'am. I know exactly what you are referring to. For the administration to budget a project, it has to meet a 2.5 BCR [benefit to cost ratio] at a 7-percent discount rate. That is how the administration budgets for projects.

When we take a look at projects, for us to recommend a project as an investment to the Congress, it has to meet a 1 to 1 benefit-cost ratio. That is what we are looking at. We have communicated this with the sponsor so they understand what the Federal Government can do. We looked for different ways to increase and improve the benefit-cost ratios, obviously, as we are doing for other studies,

like Upper Ohio, to try to allow it to meet the budget criteria for the administration. But that is where we are right now.

Ms. FRANKEL. Does that make sense to you? It just does not make sense. I do not get it. Why would you use one criteria for 18 years and do all that work, and then all of a sudden the criteria changes with another agency.

General JACKSON. Ma'am, I do not know the history of how that came into being.

Ms. FRANKEL. Well, Mr. Chairman, it sounds like a flaw to me. A flaw. A flaw in the system.

Thank you. I yield back.

Mr. GIBBS. Yes. Which probably needs some discussion because OMB has a different rate than the Corps, and than the committee, Congress, does, too. I believe there are three different cost-benefit ratios.

Mr. Rokita?

Mr. ROKITA. I thank the chairman for having the hearing.

I just want to say to General Jackson, I look forward to working with you. I am a new member of this committee, and the only one from the majority party in Indiana, although Representative Carson is also from Indiana on this committee. And we look forward to working with you, not just on behalf of Indiana, but on behalf of the Nation, to get this cleaned up and working more efficiently and better.

And I like to be a glass-is-half-full guy, so I am just going to welcome you and take it that, and look forward to working with you.

General JACKSON. Thank you, Congressman. Look forward to it as well.

Mr. ROKITA. And I yield back.

Mr. GIBBS. Mr. Garamendi?

Mr. GARAMENDI. Thank you, Mr. Chairman. We were discussing OMB here, and that is a long discussion for which there is no clear answer.

I do want to thank the Corps for bringing along the West Sacramento project. This is a project in West Sacramento, in Yolo County, 53,000 residents in a dangerous situation trying to bring the levees up to 200-year standard, which is the State of California requirement for urban areas. And I appreciate the Corps getting that done. Also, since I have 1100 miles of levees in my district, there are a lot of other projects that we have worked with the Corps on, and we are thankful for their support.

So I do just want to point out the West Sacramento project. I know it is being reviewed. And it drew me into this OMB discussion between my two colleagues on either side, who seem not to understand how that works, nor do I.

There is another project that is here, which is out of my district, but it is San Francisco Bay, the Bay Shore project in the South Bay of San Francisco. There is a piece of this that is very, very important. It is not specific here, but I draw the committee's attention to it as well as the Corps'. And that is the dredging spoils from the Port of Oakland and other ports in the area are normally disposed of off the shore of Alcatraz, where it goes out into the ocean and becomes part of the San Francisco Bay Bar problem.

But we would like to have those spoils used for environmental restoration in the San Francisco Bay area. There is a cost differential, and we need to keep this in mind that the spoils are actually a very valuable asset. And to waste them by simply disposing them in the open ocean, or near open ocean, seems to me to be a waste of a valuable asset, and it would be much better to endure the small additional cost to use those spoils as part of the restoration programs in and around the San Francisco Bay area, and also the delta of California, the Sacramento-San Joaquin Delta.

So I draw the committee's attention to that. I will be making more discussion of that as it goes forward, together with my bay area colleagues. And I suspect this is an issue for other parts of the Nation. It has to do with the way in which the Corps attempts to achieve the lowest cost, but not necessarily the greatest benefit.

So with that, I will leave it to all of our attention. And when the time comes, I will pound the table. Thank you so very much.

Mr. GIBBS. Ms. Norton?

Ms. NORTON. Thank you, Mr. Chairman, and thank you, General Jackson, for being here.

I want to ask you about a line item in the Army Corps budget for the District of Columbia Potomac and Anacostia Rivers drift removal of $875,000. Could you describe this project and where you are in the process, what it will accomplish?

General JACKSON. Congresswoman, I am not familiar specifically with the drift removal project. But I can certainly follow up with you and your staff on all the details of that immediately after the hearing.

Ms. NORTON. I will submit you some questions on that. We are very interested and concerned. Eighty percent of the Anacostia watershed is outside of the District of Columbia, but all of the trash and refuse, of course drift, perhaps flow down to the bottom, which is where we are. So I will submit a series of questions, if the chairman will allow.

I do have a question on the 17th Street levee, which was delayed, of course. But the most recent delay has come from, as I understand it, the National Park Service. The Army, though, has to submit its evaluation report to FEMA before FEMA can issue the map revision and publish a notice in the Congressional Record about the flood hazard determination, which of course is what the levee was all about in the first place.

So I want to know whether the Army has submitted the 17th Street levee certification to FEMA as yet.

General JACKSON. Congresswoman, we have not as of yet. But we are scheduled to submit it to FEMA later this summer, probably in the July timeframe.

Ms. NORTON. Probably in July?

General JACKSON. That is what I am tracking. Yes, ma'am.

Ms. NORTON. Thank you, Mr. Chairman.

Mr. GIBBS. General, I have a few more questions.

In October 2014, the Corps of Engineers Civil Works Review Board met and approved a Chief's Report related to three replacement navigation locks in the Upper Ohio River system. And while at one point the draft schedule showed the Chief's Report being

signed in January 2015, there has been no Chief's Report submitted to Congress.

Since the Corps suggested that the failure of any of these three existing locks would be catastrophic to the inland navigational waterway system, can you update the status of where this Chief's Report is or what is going on with it?

General JACKSON. Yes, Mr. Chairman, I can. We are in receipt of the revised report, which we are evaluating in our headquarters right now as we speak. The process that happens after we finish our parallel review is it will go back out for State and agency review, and then it will come back. It does not go back to the Civil Works Review Board. And as Chairman Shuster mentioned earlier in the hearing, we expect in early fall to have a Chief's Report signed on that.

So we are committed in calendar year 2016, as soon as possible, to finish that project and get that Chief's Report signed.

Mr. GIBBS. OK. A followup question I have is regarding the current practice of getting a completed Chief's Report. Do you feel there are any steps that could be removed to help accelerate the process? For instance, we implement the 3x3x3 procedure.

What steps do you see reducing or avoiding this—has there been any significant impact in the practice or culture of the Corps to be able to cut down on the backlog in studies? And what is the status of the backlog in studies? Are we making progress, or do we need to adjust that 3x3x3, or just tweak it, or do something?

General JACKSON. Mr. Chairman, I think the planning process has undergone significant change, and to the better. I think we have a number of Chief's Reports that we have been able to get pushed through the system much faster since 3x3x3 was implemented. And we realize that not every project is going to meet a 3x3x3 construct, and we take those on a case-by-case basis as opposed to making something other than that be the case-by-case basis.

We are doing a number of things inside the Corps to address the issues that you talked about. We are continuing to train our plan formulators and our leaders to understand the ways that we can bring these feasibility reports to completion much quicker.

We are doing a lot of other things that we have incorporated in our planning modernization process, like incorporating the other Federal resource agencies earlier in the process and making sure we have the benefit of their perspectives as we start scoping a project in its early phases.

We have eliminated a lot of the sequential review process, and we are doing more of a parallel review process to be able to get things done faster, integrating our vertical team from the headquarters all the way down to the district level to be able to make decisions more timely and try to eliminate redundancy in the staff.

Mr. GIBBS. Let me ask a followup on that 3x3x3. One of the things we did on that was on projects, the Corps is the lead agency to start the studies and do all that, and other Federal agencies that may want to be involved have to be involved from day one. Are you seeing a cooperative relationship with Fish and Wildlife? Interior? Have you seen a cultural change since we implemented WRRDA 2014?

General JACKSON. Yes, sir. We have great relationships with all the resource agencies, and we work very closely together to try to deliver these projects. And so I believe we have good collaboration with all the Federal resource agencies.

Mr. GIBBS. Now, the other major change we made since we have had the earmark moratorium is the Corps has to also be the lead agency working with local stakeholders and bringing those challenges. Have you seen an awareness out in the countryside of local governments, port authorities, local stakeholders, have more of an awareness of this new process and working with the Corps to bring things to the Corps' attention, a partnership there? Have you seen a change in that respect?

General JACKSON. Sir, as I make my rounds around the country talking to different groups—port authorities, industry stakeholder groups—we talk a lot about 3x3x3. And we have been talking about that for several years now. My gut feeling is that everybody really understands it.

They understand why it is good. Sometimes they are concerned, especially if they have a project that is very complicated and they do not think they can get it done in 3 years. But we work with them individually on a case-by-case basis, based upon the complexity and the scope of the project, to address it through waivers and such.

But I believe that, by and large, everyone understands what we are trying to accomplish and how we need to do that and what their role is.

Mr. GIBBS. That is just an ongoing challenge, obviously, when you make a fundamental change like that.

General JACKSON. Yes, sir.

Mr. GIBBS. That is why I bring it up, I guess. So keep it on the top of your mind that it is a challenge we need to work on because that is how the process needs to work, has to work.

I also want to thank you for reprogramming and funding to fix the flawed economic analysis at the Soo lock. This project is vital to protecting our Nation's steel manufacturing industry and the region's economy, obviously. Can you describe to me the plan, the budget, to maintain the 48-year-old Poe lock and the 73-year-old MacArthur lock as we work towards a new lock, and what that status might be?

General JACKSON. Yes, sir. We are continuing to do risk-informed analysis of the Soo locks, as we do for all of our infrastructure, to determine what the highest risk of failure is for each of the components. And we work that into our budgeting process. We work that into our maintenance plans that we implement across the Nation for all of our infrastructure.

So we feel we have a pretty good plan to keep Soo locks up and operational while the major rehab report and the economic analysis come to closure in 2017.

Mr. GIBBS. So you think after 2017 we will actually have a timeline on the replacement lock?

General JACKSON. Sir, I think in 2017 we will have enough information to be able to make an informed investment recommendation to the administration. And that is our goal on where we will go from there to address the challenges at Soo lock.

We all, and you and I, have spoken about this privately. We understand the strategic significance of the Soo lock. It is a major focus for us, and we are putting all the effort in to make sure we have the best information so we can make a good recommendation to the administration on the best way forward.

Mr. GIBBS. Yes. Obviously, I am very concerned. It is a 73-year-old lock, and we saw, some of the staff, some of the locks replacement at Paducah on the Ohio River system. I can only imagine what would happen up there if we have a failure, and the impact it would have to the country is significant.

At this time I yield to Mrs. Napolitano if she has any more questions. And I have a couple after you.

Mrs. NAPOLITANO. It is just a general thing that comes to mind. Would there be more Chief's Reports if you had more budget?

General JACKSON. That is a tough question, ma'am. I think——

Mrs. NAPOLITANO. Are there projects, in other words, that are hanging fire that should have been or could have been, but you are not able to get them on?

General JACKSON. I think there are a lot of great projects that are out there. As we spoke early in the hearing, the challenge is that we want to make sure that we understand all of them, where they all are, and that we find some way of prioritizing which ones are the most urgent. Then we can apply the resources that we have in our headquarters, and across the Corps of Engineers, to be able to evaluate and scope these feasibility studies so we can actually bring them to a point where we can make an investment recommendation that makes sense to the Congress. So I think we are doing well in the program that we have now.

Mrs. NAPOLITANO. With what you have got?

General JACKSON. I think that we will just continue to try and bring as many as we can possibly bring to the Congress for recommendation as they present themselves.

Mrs. NAPOLITANO. Great. It sounds like a marvelous way of doing things. But I still think that there are other projects that could be done if you had the ability to fund them.

Thank you, Mr. Chair.

Mr. GIBBS. Mr. Bost?

Mr. BOST. Thank you, Mr. Chairman.

And I was not here a while ago. I had to run out to another meeting. But I understand that Rodney Davis, Congressman Davis, touched on an issue that is very concerning to my district and where he bumps up against that district. And that was on a report that was given the by Army Corps of Engineers in regards to the placement and environmental impact study that was given for the placement of the NGA.

With that, there were, in the report, three different counties from three different States, and only one of them was the county that was in question. In the report, it was St. Clair County, Illinois, that was supposed to have the environmental impact study on it. St. Clair County, Missouri, and St. Clair County, Michigan, were both mentioned in the report, even to the point there was a river put in the report that does not exist in St. Clair County, Illinois, which then affects the decision that is made.

My real concern is in an agency like yours, which I have had some very positive things while working on the river and everything like that, what is your response when a report like that comes out and affects the overall mission of another agency, and the concerns that we have? And then it was kind of—when we met with Senator Durbin and Senator Kirk, it was kind of a flippant, like, "Oh, well. That is really not that important." And that was a concern that I had. And where is your response?

General JACKSON. Congressman, I appreciate you bringing that to my attention again. Congressman Davis talked at length about that. I do not have the specifics of that report, but I will commit to digging into more details and trying to give you the story on what that is and how that became the way it is.

I can tell you that we in the Corps are committed to quality. And where we find that we are not meeting quality, where we find that we are not meeting our commitments to our elected Members and potentially making as though it was not a big deal, we take that very seriously. I will take a hard look at the specifics of this and try to understand why it occurred.

But certainly we are committed to excellence in all that we do. We go to extensive efforts to train and educate all of the folks that work for the Corps in very, very technical specialties. We have multiple layers of quality control and quality assurance for the reports that we submit. But that is not to say we do not make mistakes from time to time.

So this is obviously, as you have described, something that we need to look into and figure out what happened and make sure that it does not happen again.

Mr. BOST. And let me tell you the importance of that, and I think you know this already. But the concern is that, one, where the negative site reflection was on and where the positive site was reflected upon on the overall review, there is concerns from the community from a former person who actually worked for the Corps that now works for the community where the other site is to be located.

Now, I am not saying it is. But I am telling you that the communities feel that way. And as their Representative, that is very difficult to try to explain. And I would like to also find out if all of that was true as well because that reflects bad on your agency. It reflects bad on us as a Government that is trying desperately to locate a facility that needs to be secure for not only when it is first built but into the future, because the NGA is vitally important to our mission no matter which agency you are with, and for the security of this United States. So if you could get back with me on that, I would appreciate it very much.

General JACKSON. Congressman, I will definitely do that. So thank you.

Mr. BOST. Thank you. I yield back.

Mr. GIBBS. I just want to interject a little bit, with a question on this. The Corps under law has the ability to do work for others, other agencies, and that is apparently what happened here. Was there a possibility there was a breakdown in communication between the Corps and this other entity, especially when you did the

environmental impact study, that something happened here? Can you maybe——

General JACKSON. Mr. Chairman, without knowing the specifics, I cannot give you a very good answer on that.

Mr. GIBBS. No. That is fine.

General JACKSON. My commitment to the committee is to look into this personally and personally give a response back to the Members. So I know myself what it is that occurred, and certainly what we are going to address what has happened, and certainly to prevent it from happening in the future.

Mr. GIBBS. I think that is fair. But I think what it probably seems like on the surface what is going to happen is that the Corps is basically doing contract work and getting reimbursed. And then the question that comes to my mind is: What entity, the Corps or the other entity, has the responsibility for the security issues? And that is where I think something broke down.

So I think this is important. I am glad two Members from Illinois brought this up.

Ms. Frankel?

Ms. FRANKEL. Thank you, Mr. Chair.

I just want to pick up where I left off because I think one of the problems, as I see it, is that the inability of Congress to actually designate within the budget certain projects has led to this convoluted process, which gives way too much power to the Executive.

And so just going back—because I am going back to Port Everglades again, which is—we spent all this time, and then this committee talked about it, and the Corps did a Chief's Report, and now it is going to get stuck in another process.

But I want to give you another example. In 1996, back in my area in Palm Beach County, there was an agreement with the Corps—actually, in 1996, in the WRDA bill then, there was—it authorized the Corps to pay 100 percent of the construction costs of a sand transfer plant. And the agreement with Palm Beach County was that the county would then pay for the maintenance. And the maintenance of the sand transfer plant would actually save the Corps anywhere from $2 million to $5 million every couple years. They would not have to dredge that area.

So the cost of the plant was about $4 million, and the maintenance is about $300,000 a year. And that is a great deal for the Corps because the Corps saves a lot of money. But it is even a better deal because the Corps never paid for the construction. The county paid for the construction. So the county paid $4 million for the construction, and the county is maintaining it, saving the Corps, I estimated, anywhere from $30 million to $50 million in the last 20 years.

Now, what are the county's options to get the money back? Can they sue the Corps? Or do they have to go through a complicated modification? Can Congress fix it? Well, if we had the ability to designate projects, we could fix it. And now this just seems very complicated.

So here is my question, and I want to make it more generic. If there is a way for the Corps to save money—for example, in this case the dredging in order to maintain a channel—if there is a way

for the Corps to save money with a different method other than dredging, shouldn't the Corps be allowed to pay for that?

General JACKSON. Ma'am, I do not have the answer to that question. I am sorry. Generally speaking, without going back—I have to go back and get more specifics on that project and what type of agreement was signed, whether it was a contributed funds, accelerated funds, advance funds, or what have you. Those are the only ones that I am aware of that we use with non-Federal sponsors to address funding shortfalls in the Federal appropriation that allows work to go forward.

As it pertains to this particular project, I do not have an answer. But I will try to answer that to the best of our ability with you after the hearing.

Ms. FRANKEL. OK. Thank you very much.

And Mr. Gibbs, I would just again urge us to try to figure out—going back to my other point on this cost-benefit analysis—to try to figure out a solution to this. Because Port Everglades will not be the only project that is going to run into that.

If the Army Corps is using a different cost-benefit analysis then OMB, they are spending—I went to the review process that you have where they put 40 people around the room. And I listened to how many different components of your Corps, how many different people were involved, and how many years of analysis. And it seems to me it is like a totally wasted deal if the OMB can just put the kibosh on it. It is crazy.

All right. That is enough from me. I yield back.

Mr. GIBBS. Mr. Babin.

Dr. BABIN. Thank you, Mr. Chairman. I appreciate it.

General, thank you very much for being here today. I represent the 36th District of Texas, and I have been working with the Port of Houston Authority, which I represent, and the Corps of Engineers to address a navigation and safety and efficiency issue on the Houston Ship Channel at what we call the Bayport Flare. The Corps gave us some good news this week in that they completed the Post-Authorization Change Report, and section 902 cost limit determination. We appreciate that.

I want to thank you and your colleagues at the Corps for getting this report to this stage and getting us closer to a solution to a problem that could wind up being a safety issue. It is my understanding that this report must now go to OMB for review. Since we are working to get a solution into the current WRDA legislation, has the Corps conveyed to OMB the importance of addressing this issue? And in your opinion, how long would you anticipate this review to take?

General JACKSON. Congressman, to address your first question, we have emphasized the importance. Secretary Darcy, who signs the transmittal letter over to OMB, fully understands the sense of urgency and what we are working with in this particular Post-Authorization Change Report. So she has articulated that sense of urgency to the administration as they begin their review.

As to when OMB will release the report to Congress, I have no idea and could not answer that. But we will continue to work within the administration to get that released to the Congress as fast as we possibly can.

Dr. BABIN. Well, I would hope so, that if we could expedite this, we could get it into the WRDA. And it would certainly help us and give us some certainty in my port as well.

General JACKSON. Yes, Congressman.

Dr. BABIN. OK. That is all I have to say, Mr. Chairman. Thank you very much. I yield back. Thank you, General.

Mr. GIBBS. I just have a couple questions. This is kind of a followup on my last series of questions, General.

We talked about the 3x3x3 and streamlining to get more efficient. I should have mentioned, following up on this, that the 2016 annual report was vastly improved from the 2015 annual report. We had big problems with the first report. But in the 2015 report, we had 114 projects that were requested, and in the 2016 we had 61 projects that were requested.

So I guess that begs the question: This new process, is the Corps doing everything we can do to educate? Because we saw almost a 50-percent decline in the number of projects. Why do you think that is?

General JACKSON. Sir, I think because this process is really used to capture projects that we do not already have on the radar screen, and they only come through one time, I think that naturally, over time, you will start to get fewer projects than the initial tranche that came in.

But I think this goes to what we mentioned before, we need to continue to communicate this effort. Because I am sure there are communities out there that are not aware of this program and how they participate. So we just need to continue to refine our ability to communicate and get the word out to see what other opportunities are out there, because I think there are some out that may not have been realized this year. But we will continue to search these out and try to get the word out.

Mr. GIBBS. Because I know in the last year, when I have had various meetings with different colonels in different districts, I was noticing that some had a better handle on this than others, so I think there is a little work to do. And that is year-old data or observation on my part, but just so you know, there might be work internally just with——

General JACKSON. Mr. Chairman, I think you are right. It is constant. We have turnover of our colonels every 2 or 3 years, depending on whether they are lieutenant colonels or colonels. And most of these guys that come in have not served in the Corps before.

So these are new and daunting issues that are hard to understand, and as an organization, we just have to continue to work the education piece. And fortunately, they are surrounded by civilians that understand this and are there for continuity. But there is constant vigilance required.

Mr. GIBBS. OK. And probably my last question. The Chief's Report for the Green and Barren Rivers in Kentucky calls for the deauthorization of the project. This Chief's Report was in the appendix in the 2016 annual report. If this is a deauthorization of a project or a divestment of the project, why was the Corps required to carry out a Chief's Report for this?

General JACKSON. Mr. Chairman, when we come back to the Congress to request a deauthorization, we still have to go through

a process that is very similar to a feasibility study. But it does result in a Chief's Report that gets signed with a recommendation to Congress recommending divestiture.

So we do have to go through a process. As my staff has described it to me, it is not as expensive or nearly as complicated, but we still have to go through the same methodologies to make sure we understand what happens to a project when it is deauthorized.

Mr. GIBBS. I know in 2014 we authorized to be deauthorized a whole list of projects that helped pay for the bill. And I'm not sure what the status is on that, on those projects. Do you know?

General JACKSON. Yes, sir. There are the two processes, as you recalled, the annual and the one-time deauthorization. For the one-time deauthorization, I think there was a total of 143 projects that were about $14.26 billion that were submitted to Congress. And I believe the list was finalized for the one-time deauthorization in May. I'm not sure. I will have to go back and check to determine whether the Congress has received it. But our milestone is May for recommending the deauthorizations. And then the list—those projects, if approved, would be deauthorized effective November 2016.

We also have the other process, section 1001, which is our annual deauthorization process. Again, we will provide a recommended deauthorization list to the Congress in September of this year, 2016. And if approved, that list would be deauthorized effective October 2017.

Mr. GIBBS. Yes. I was just going say that my recommendation is we get a copy. I was going to request that you supply the committee with the projects that have been deauthorized, the dollar savings by doing that——

General JACKSON. Yes, sir.

Mr. GIBBS [continuing]. And the numbers going forward to October, as you just mentioned.

General JACKSON. OK, sir.

Mr. GIBBS. That would be helpful.

[Inaudible exchange between Congressman Gibbs and Congresswoman Napolitano.]

Mr. GIBBS. I think she is asking the question of the reason why we deauthorize stuff—because I think we did this in WRRDA 2014 because a lot of those projects had been on the books for years. And some of those projects, they might have had merit when they were authorized years ago, but were never funded and never developed, obviously, and now they are obsolete. So I think that is a lot of it.

In 2014—I know you were not involved with this, General—but we were trying to "clean up the books," so to speak, because we were told there was a cost, maybe a nominal cost, but there was a cost of keeping those on the books because the Corps had to report and include it in their administrative stuff.

General JACKSON. Mr. Chairman, you are correct. We have to keep our portfolio fresh. And there are a number of projects that, again, no longer have a purpose or no longer are relevant. And we just have to be constantly reviewing those as part of our annual deauthorization process, which is what we are doing this year to make sure we keep that fresh and keep ourselves focused on the most important studies for the Nation.

Mr. GIBBS. And I appreciate that. But I think prior to WRRDA 2014, obviously we were not doing that. The Corps and Congress, we were not doing that, and that is why we had this huge stack of billions of dollars of possible projects. And we tried to clean that up. So we need to keep that in mind, what we did in WRRDA 2014.

I am all done. Do you have anything else? OK.

Well, thank you for coming in, General. It was a pleasure.

We look forward to working with you in the future as you work on all of the good things that the Army Corps is trying to do out there in the countryside.

Thank you, and this concludes the hearing.

[Whereupon, at 11:31 a.m., the hearing was concluded.]

Doris Matsui

Rep. Doris Matsui Statement before the
House Transportation and Infrastructure Committee
Subcommittee on Water Resources and Environment Hearing on
"A Review of Recently Completed United States Army Corps of Engineers Chief's Reports"
May 17, 2016

Thank you Chairmen Shuster and Gibbs and Ranking Members DeFazio and Napolitano for holding today's hearing. I appreciate the opportunity to offer this statement on the Chief's Reports for the American River Common Features and West Sacramento projects. I respectfully request your support for this important flood protection infrastructure as the Committee moves forward with water resources development legislation this year.

I have the privilege of representing Sacramento and West Sacramento in Congress. This community I represent is the most at-risk major American city for flooding. We sit at the confluence of two great rivers, the American and the Sacramento, just downstream from the Sierra Nevada mountain range. These rivers have shaped who we are in Sacramento since the days of the Gold Rush.

The investments authorized in this Committee and made by the Army Corps of Engineers, matched by commitments at the state and local level, have protected Sacramento from devastating floods over the years. In that respect, this Committee's work has helped saved thousands of lives in my region.

We must continue that investment, because our work to bolster our first line of defense against floods is constantly evolving. While the levees have been upgraded over the last twenty years, so have the federal government's standards for flood protection. Since Hurricane Katrina, we have adopted stronger engineering standards and federal policies. Since these changes, recent analysis by the Corps and others has shown that Sacramento's levees have significant erosion, underseepage, and other geotechnical deficiencies. Because of these hidden flaws in our levees, the Sacramento region could have a levee failure with very little warning.

This would be catastrophic for the Sacramento region, and it would be unacceptable to me as its member of Congress. At least 400,000 people live behind a levee that is part of the American River Common Features program or West Sacramento's flood protection system. That is why the work in the American River Common Features and West Sacramento Chief's Reports is so vital.

These two projects are essential to protect the life, property, and billions of dollars of economic investment that *already* exist in the region. The area that these projects encompass also includes four major highway systems, an international airport, and a major water and electric grid. We are not talking about protecting a few buildings. We are talking about the flood protection infrastructure for a major metropolitan center, the capital of the eighth largest economy in the world. The benefits of these projects will far outweigh the costs.

The federal commitment to these projects will be shared by state and local partners. Sacramento residents have shown their commitment to flood protection by voting to tax themselves on two separate occasions to pay for their share of levee improvements in the region.

The American River Common Features and West Sacramento projects are absolutely critical to the Sacramento region's comprehensive, systems-based approach to flood protection. This Committee has been a strong partner in Sacramento's effort and I appreciate your continued attention to my district's flood protection infrastructure. I look forward to working with you to see water resources development legislation containing the American River Common Features and West Sacramento projects enacted this year.

DEPARTMENT OF THE ARMY

COMPLETE STATEMENT

OF

MAJOR GENERAL DONALD JACKSON
DEPUTY COMMANDING GENERAL FOR
CIVIL AND EMERGENCY OPERATIONS

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT

UNITED STATES HOUSE OF REPRESENTATIVES

ON

A REVIEW OF RECENTLY COMPLETED UNITED STATES ARMY
CORPS OF ENGINEERS CHIEF'S REPORTS

May 17, 2016

Mr. Chairman and distinguished members of the Subcommittee, I am honored to be testifying before you today to discuss Reports of the Chief of Engineers (Chief's Reports) and Post Authorization Change Reports (PACRs). My testimony will briefly describe the three Chief's Reports and three PACR's that have completed Executive Branch review since the previous testimony on this subject before this Committee, at a hearing held on February 24, 2016. These proposed projects fall within the main mission areas of the Corps (commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration). There are eleven other projects that have reports by the Chief of Engineers but are still under Executive Branch review, as well as one Chief's Report for a project disposition. Also, there are four pending PACRs under Executive Branch review.

I first would like to provide a brief update on the 2017 Report to Congress on Future Water Resources development as required by Section 7001 of WRRDA 2014. The notice requesting proposals by non-federal interests for proposed feasibility studies and proposed modifications to authorized water resources development projects will be published in the Federal Register on May 19, 2016. The deadline for non-federal interests to submit proposals to the Corps is September 16, 2016.

I will now provide a brief overview of the three proposed projects that have completed Executive Branch review since the previous testimony. The Army has previously provided the results of those reviews along with the following project information to the Congress.

Flood and Storm Damage Reduction

Kansas Citys Levees – Phase 2, Missouri and Kansas

On March 30, 2016, a report was transmitted to Congress on flood risk management along the Missouri River and its tributaries at Kansas Citys, Missouri and Kansas. The plan addresses structural and geotechnical reliability of existing features, and increases the height of the existing levees and floodwalls by as much as five additional feet.

Based on October 2015 price levels, the total initial project cost for this project is $327.2 million with the federal share totaling $212.7 million and the non-federal share totaling $114.5 million.

Mill Creek Watershed, Davidson County, Tennessee

On March 18, 2016, a report was transmitted to Congress managing flood risk along Mill Creek, Nashville, Tennessee. The plan would include constructing a 377-acre-foot capacity storm water detention basin at mile 3.67 on Sevenmile Creek, modifying the Briley Parkway bridge and widening the Mill Creek channel at mile 7.1, raising nine residential structures in-place above the 1-percent chance flood elevation, and

purchasing and removing 80 frequently damaged residential structures located in the floodplain of Mill Creek and its tributaries.

Based on October 2015 price levels, the total initial project cost for this project is $28.79 million with the federal share totaling $17.94 million and the non-federal share totaling $10.85 million.

Aquatic Ecosystem Restoration

Skokomish River Basin Ecosystem Restoration, Washington

On April 19, 2016, a report was transmitted to Congress on ecosystem restoration improvements in and along the Skokomish River in Mason County, Washington. The plan for ecosystem restoration consists of removal of a levee at the confluence of the North and South Forks of the Skokomish River, installation of large woody debris and engineered logjams on the South Fork Skokomish River, reconnection of an historical side channel, and wetland restoration in two locations on the south bank of the Skokomish River.

Based on October 2015 price levels, the total project cost for this project is $19.7 million with the federal share totaling $12.8 million and the non-federal share totaling $6.9 million.

There are also 11 other proposed projects with reports by the Chief of Engineers, which the Executive Branch is in the process of reviewing. These are:

- Lower Willamette River, Oregon
- South San Francisco Bay Shoreline, Santa Clara County, California
- Upper Turkey Creek, Merriam, Kansas
- Little Diomede, Alaska
- West Shore Lake Pontchartrain, Louisiana
- Los Angeles River, California
- Princeville, NC
- Craig Harbor, AK
- West Sacramento, CA
- American River Watershed, Common Features, CA
- Encinitas-Solana Beach Shoreline, CA

An additional Chief's Report for a disposition study for Green River Locks and Dams 3, 4, 5 and 6 and Barren River Lock and Dam 1, Kentucky is also under Executive Branch review.

Mr. Chairman, I would now like to discuss PACRs. Section 902 of WRDA 1986 sets a maximum percentage cost increase for Civil Works projects. A further authorization is required to use Federal funds beyond this maximum authorized project cost. In these

cases, the Corps of Engineers generally completes a PACR, which is provided to Congress if there is a recommendation for such a further authorization. There are three PACRs that have completed Executive Branch review. The Army has previously provided the results of those reviews along with the following project information to the Congress.

A brief description of each report follows.

1. Blue River Basin. On May 13, 2016, a report was transmitted to Congress on this flood damage reduction project. The project was originally authorized in Section 101(a) of the Water Resources Development Act of 1996 at a total first cost of $17,082,000, with a Federal cost of $12,043,000 and a non-federal cost of $5,039,000. The revised estimated first cost (October 2015 price levels) is $46.5 million with a Federal cost of $34.9 million and a non-federal cost of $11.6 million.

2. Turkey Creek Basin, Kansas City, Kansas and Kansas City, Missouri. On May 13, 2016, a report was transmitted to Congress on this flood damage reduction project. The project was originally authorized in Section 101(a)(24) of Public Law 106-53 for a total first cost of $42,875,000. Section 123 of Division D of the Consolidated Appropriations Resolution, 2003, Public Law 108-7 modified the authorized total project cost to $73,380,000, with a Federal cost of $45,304,000 and a non-federal cost of $28,076,000. The revised estimated first cost (October 2015 price levels) is $152.5 million, with a Federal cost of $97.1 million and a non-federal cost of $55.4 million.

3. Paducah, Kentucky. On May 13, 2016, a report was transmitted to Congress on this flood damage reduction project. The project was originally authorized in Section 5077 of the Water Resources Development Act of 2007 for a total first cost of $3,000,000. Section 7002(2) of the Water Resources Reform and Development Act of 2014 amended the authorized amount for a total project first cost of $20,260,000, with a Federal cost of $13,170,000 million and a non-federal cost of $7,090,000. The revised estimated first cost (October 2015 price levels) is $31.2 million, with a Federal cost of $20.3 million and a non-federal cost of $10.9 million.

There are four PACRs that are under Executive Branch review. These reports are:

- Swope Park Industrial Area, Blue River, Kansas City, Missouri
- Picayune Strand Restoration, Collier County, Florida
- Houston-Galveston Navigation Channels, Texas
- Rio de Flag, Arizona

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

QUESTIONS FOR THE RECORD

HOUSE SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
HEARING ON

"A Review of Recently Completed United States Army Corps of Engineers Chief's Reports"

May 17, 2016

QUESTIONS for Major General Ed Jackson
(Deputy Commanding General, Civil and Emergency Operations)

A. Submitted on Behalf of Congressman Rokita:

Q1 – To what extent does the Corps rely on satellite imagery (e.g. Google Earth) to identify jurisdictional features such as ordinary high water mark, bed and banks, etc., in enforcement actions?

Answer: One of the initial steps for the Corps in conducting an investigation into an alleged violation is to gather information from all available sources to aid in determining whether any unauthorized activities may have occurred in jurisdictional waters (see 33 CFR 326.3).

The use of remote sensing tools in evaluating jurisdictional determinations (JDs) is standard practice and can be used by districts when there is a high degree of confidence in available information to assist in determining if and /or when a site may have been altered. The information used to support any JD should be reliable and verifiable. Traditionally, this information has been obtained or verified though a site visit, but now, with information from new, highly sensitive technology and imaging, site visits may not always be required for JDs. For example, desktop reviews may be based on detailed delineation reports prepared by professional wetland consultants, and in other cases, other mapping techniques may be adequate. Wetland identification manuals emphasize the use of valid off-site information when performing wetland identification. Off-site publicly available tools commonly used by Corps Districts include, but are not limited to, soil surveys, USGS and National Wetland Inventory maps, aerial photography, LiDAR, national hydrologic data, and stream and tide gauges.

Q2 – 33 C.F.R. 331.11 states that "An appeal of an approved JD associated with unauthorized activities will normally not be accepted unless the Corps accepts an after-the-fact permit application. However, in rare cases, the **district engineer** may accept

an appeal of such an approved JD, if the **district engineer** determines that the interests of justice, fairness, and administrative efficiency would be served thereby." (emphasis added) Recently, the Division Engineer's office has stated that the regulation contains a mistake, and that the discretion to allow appeal of a JD without an ATF permit belongs to the Division Engineer, not the district engineer as stated in the regulations. Can you explain this discrepancy and discuss how and when it will be remedied?

Answer: Historically, the appeals program was proposed as a two-level process for approved jurisdictional determinations (AJDs), with the district as the first level of review and the division as the second level of review (1995 proposed rule; 60 FR 37281: "The proposed administrative appeal process for a final Corps jurisdiction determination is a two-level process. The initial appeal is to an independent jurisdictional expert within a Corps District Office. The second level appeal would be to a regulatory expert within a Corps Division Office.") However, the appeals program was changed to a one-level process in response to comments received associated with the 1995 proposed rule publication (1999 preamble; (64 FR 11710): "Efficiency was also cited by several commenters in support of establishing the appeal process as a single level of review at the division level. We have examined the issue, and agree that the operational efficiency of the appeal process would be maximized by a one level review of the existing administrative record.") The two-level review was also addressed in the 2000 rulemaking for the appeals program (65 FR 16491: "The JD appeal process proposed in the July 19, 1995, Federal Register notice was a two level process, with the first level appeal to the district office that conducted the original JD. The second level appeal would have been to the division office...In the interests of fairness to appellants, program efficiency, and cost effectiveness, we have modified the JD appeal process to a one level appeal to the division engineer.")

Therefore, the 1999 and 2000 regulations clearly state that it is a one-level process for the division engineer (other than appeals which could go to the Chief of Engineers when division is the decision-maker on permits). Corps regulations reference the role of the division engineer at 33 CFR 331.3, "The division engineer has the authority and responsibility for administering a fair, reasonable, prompt, and effective administrative appeal process." Also, at 33 CFR 331.7(a), "The administrative appeal process for approved JDs, permit denials, and declined permits is a one level appeal, normally to the division engineer."

In addition, Regulatory Guidance Letter 08-02 states, "Appeal rights associated with an approved JD associated with an enforcement action are at the sole discretion of the Division Engineer. Check with your Division Review Officer prior to issuing an approved JD associated with an alleged violation/unauthorized activity if you have any questions regarding the language explaining appeal rights or the appeal process itself."

Despite the regulation stating "district engineer" at 33 CFR 331.11, the Corps believes the appropriate decision-maker on the acceptance of an AJD appeal associated with an unauthorized activity rightfully remains with the division engineer. Reading the section in context with the rest of the appeals program history, preambles, regulations, and

guidance cited above, the reference to "district engineer" was mistakenly not changed to "division engineer" when the shift from a two- to one-level process occurred. To rectify this error, we would modify such section to appropriately state the decision lies with the division engineer when we decide to pursue rulemaking on this section of Corps regulations. At this stage of implementation, the decision for acceptance of the referenced appeal remains with the division engineer in national practice across Corps districts and divisions.

Q3 – How does the Corps envision working with the farming community to balance protection of truly jurisdictional waters with farm maintenance and development activities?

Answer: The Corps will continue to work cooperatively with the farming community regarding farming practices and our Corps mission to protect aquatic resources while allowing reasonable development through fair and balanced decisions. This occurs in several ways: via outreach, training, activity exemptions, and via partnership efforts at the national level. Corps districts often engage the farming community via outreach events, pre-application meetings, field visits, and through responding to general inquiries from farmers. These opportunities, along with training events on topics such as jurisdictional determinations promotes mutual understanding and improves communication to familiarize Corps staff and the farming community with common practices and conservation practices, regulations, and policies. One topic often included in these discussions is Section 404(f)(1) of the Clean Water Act which the Corps implements and which provides for certain farming activities to be exempt from requiring authorization under Section 404 of the Clean Water Act. Exempt activities can be conducted without any involvement of Corps. The Corps works with the farming community to ensure their awareness of Section 404(f)(1) and to help them understand that many normal farming activities are covered by this exemption and can be undertaken without any Corps permits or involvement. Since nationwide general permit authorizations are activity based, a number of nationwide general permits could potentially be used to authorize activities associated with agricultural operations (e.g., minor dredging, culverts, stream crossings, bank stabilization, minor discharges, etc.) that are not exempt from permitting requirements under CWA Section 404. These nationwide general permits can normally authorize agricultural activities in a fraction of the time it takes to process an individual permit. At the national level, the Corps has an ongoing partnership effort with the Natural Resource Conservation Service to identify ways in which the agencies can jointly improve communication and implementation of agency roles and responsibilities for the farming community. The Corps is committed to working with the farming community and stakeholders to provide an efficient permitting process that allow farmers to do the important work of feeding the nation while also helping to protect the clean water that they depend upon to water their livestock and irrigate their crops.

Testimony By

Dennis Watson, Mayor

City of Craig, Alaska

House Transportation and Infrastructure Committee

A Review of Recently Completed United States Army Corps of Engineers Chief's Reports

May 17, 2016

Mr. Chairman, Mr. Deputy Ranking Member, past Chairman Congressman Young, and Members of the Committee:

Please accept this testimony for the record of your hearing on the recently completed U.S. Army Corps of Engineers Chief's Report. I ask that my testimony and the attached Chief's Report be made part of this hearing record.

I also ask that this Committee include the Craig Harbor and Navigation Improvements Project in its 2016 Water Resources and Development Act. Attached is the Chief's Report for this project which was completed and signed by Lt. General Thomas Bostick, Chief of Engineers on March 16, 2016. The report found that the project reasonably maximizes net national economic development benefits consistent with protecting the nation's environment. The report further concludes that compensatory mitigation is not needed because the project has no impacts to significant resources.

I am the Mayor of Craig Alaska, a fishing and maritime community located on Prince of Wales island in Southeast Alaska. Craig is a first class city under Alaska law and is the largest community on the Island, the 3rd largest in the United States. Our population is 1200 and we are the fishing, maritime, and economic center of this Island encompassing nine communities with a total population of about 4,000.

The city has been working on this project with the Corps for over 15 years and is fully prepared to perform its role in this project including the $3,255,000 non-federal share, the initial costs and the 10 percent payment described in the Chief's Report. The city is also prepared to undertake the Local Service Facilities Cost described in paragraph 3e. of the Chief's Report. The City is further prepared to perform all the requirements of Paragraph 8 of the Chief's Report.

The City has been working on this project for a number of years. It is critical to future economic development of the City and Prince of Wales Island. There is strong support in the City for the project. Attached are resolutions of support from the Craig City Council regarding the project.

The City has worked closely with the Alaska District Office of the Civil Works Division of the Corps of Engineers and successfully participated in its November 2015 Corp of Engineers Army Civil Works Review Board which unanimously supported this project and which has led to this Chief's Report

This project is unanimously supported by our Alaska Congressional Delegation which sent a letter of support to the Civil Works Board which is attached to my testimony. We want to particularly thank former Chairman Don Young, the senior member of this Committee. Con. Young has been a strong supporter of this and many other projects which Craig has been working on for his entire tenure on this Committee and in the Congress. We thank him very much for his strong support of this project and many others over the years.

This project has been included for authorization in the Senate reported 2016 WRDA bill at section 6001 under the title Craig Harbor Project.

By this testimony, I respectfully request that the House Transportation and Infrastructure Committee include our project in its Committee reported version of the 2016 WRDA bill.

Thank you for your attention to this testimony. Please let me know if the Committee has any questions on my testimony.

CITY OF CRAIG
RESOLUTION 09-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRAIG, ALASKA, AUTHORIZING THE PARTICIPATION IN A FEASIBILITY STUDY WITH THE US ARMY CORPS OF ENGINEERS (USACE) FOR HARBOR IMPROVEMENTS AT CRAIG, ALASKA AND AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE ANY AND ALL APPROPRIATE DOCUMENTS

WHEREAS, the Craig City Council, hereinafter called Council, is the governing body of Craig, Alaska; and

WHEREAS, the Council strongly supports efforts to expand public boat moorage and related facilities and services within the community; and

WHEREAS, such efforts are also a high priority for the Craig Harbor Committee, Craig Planning Commission, and the Craig Economic Development Strategy Committee and is an integral component of the Craig Comprehensive Plan – 2000 Update; and,

WHEREAS, the USACE had conducted a reconnaissance study of the Craig Small Boat Harbors at Craig, Alaska pursuant to its authority, and has determined that further study in the nature of a "Feasibility Phase Study" (hereinafter the "Study") is required to fulfill the intent of the study authority and to assess the extent of the Federal interest in participating in a solution to the identified problems; and,

WHEREAS, representatives of the USACE Alaska District traveled to Craig for a presentation regarding the harbor development plans at the selected alternative site (adjacent to the defunct Ward Cove cannery) and discussed the following documents that pertain to the Study: (1) Project Study Plan – Craig Harbor Improvements and (2) Agreement between the Department of the Army and the City of Craig for the Craig Harbor Feasibility Study (Federal Cost Sharing Agreement).

NOW, THEREFORE, BE IT RESOLVED that the City of Craig hereby authorizes the participation in a feasibility study with the US Army Corps of Engineers for harbor improvements at Craig, Alaska and authorizes the City Administrator to negotiate and execute any and all appropriate documents.

Adopted December 10, 2009.

CITY OF CRAIG CORPORATE SEAL STATE OF ALASKA

A. Millie Schoonover ATTEST Vicki Hamilton

Mayor A. Millie Schoonover — Vicki Hamilton, city clerk

CITY OF CRAIG
RESOLUTION 07-22
Establishing Capital Projects for 2008

WHEREAS, the City of Craig Council annually prepares a comprehensive capital improvement program for the City of Craig; and,

WHEREAS, the United States Government and the State of Alaska annually prepare budgets and appropriate funds to local governments and state and federal agencies for the implementation of local and state capital improvement projects; and,

WHEREAS, the Craig City Council has identified certain capital improvement project priorities for the City of Craig for calendar year 2008.

NOW, THEREFORE, BE IT RESOLVED that the following projects, set forth in order of priority, are established as the City of Craig's top priorities for capital improvement projects for calendar year 2008:

1.	Development of Craig Cannery property & Harbor	$ 500,000
2.	Prince of Wales Health Care Building	$ 500,000
3.	Craig Elementary School roof replacement	$ 600,000
4.	Fish processing capacity/community cold storage	$ 500,000
5.	Craig Middle School renovation	$ 80,000
6.	Street Paving and Improvements	$ 250,000
7.	Water and wastewater master plan revisions	$ 80,000
8.	Wastewater collection system cleaning and inspection	$ 75,000
9	Water/Wastewater Improvements	$ 100,000
10.	Boat launch ramp breakwater and improvements	$ 150,000
11.	Community Quota Entity quota share purchase	$ 150,000
12.	Wood-fired boiler project construction	$ 100,000
13.	Fish enhancement – POW Hatchery Association	$ 500,000
14.	Increase water storage at municipal drinking water source	$ 450,000
15.	New Fire Hall	$ 500,000
16.	Aquatic Center Expansion	$ 500,000

APPROVED November 15, 2007.

Mayor Dennis Watson

ATTEST Vicki Hamilton
Vicki Hamilton, City Clerk

CITY OF CRAIG CORPORATE SEAL STATE OF ALASKA

CITY OF CRAIG
RESOLUTION 09-01
Establishing Capital Projects for 2009

WHEREAS, the City of Craig Council annually prepares a comprehensive capital improvement program for the City of Craig; and,

WHEREAS, the United States Government and the State of Alaska annually prepare budgets and appropriate funds to local governments and state and federal agencies for the implementation of local and state capital improvement projects; and,

WHEREAS, the Craig City Council has identified certain capital improvement project priorities for the City of Craig for calendar year 2009.

NOW, THEREFORE, BE IT RESOLVED that the following projects, set forth in order of priority, are established as the City of Craig's top priorities for capital improvement projects for calendar year 2009:

1.	Fish processing capacity/community cold storage	$ 1,500,000
2.	Development of Craig Cannery property & Harbor	$ 2,500,000
3.	Street Paving and Improvements	$ 1,000,000
4.	Heavy Equipment Purchase – Public Works	$ 1,000,000
5.	Clinic Debt Reduction	$ 250,000
6.	Water/Wastewater System Planning, Cleaning and Upgrade	$ 1,600,000
7.	Increase water storage at municipal drinking water source	$ 800,000
8.	Connect Craig Tribal Hall to Wood Boiler	$ 350,000
9.	Complete Phase II Improvements in Klawock Airport Master Plan	$ 2,650,000
10.	Boat launch ramp breakwater and improvements	$ 300,000
11.	Wood Fired Boiler Debt Reduction	$ 500,000
12.	Float Plane Terminal Access and Parking	$ 500,000
13.	Fish enhancement – POW Hatchery Association	$ 500,000
14.	Aquatic Center Expansion	$ 500,000
15.	Library Expansion Planning and Design	$ 100,000
16.	New Public Safety Building	$ 500,000
17.	Community Quota Entity quota share purchase	$ 150,000
18.	Development of city owned residential land	$ 250,000

APPROVED February 19th, 2009.

Don Pierce

Chairman Don Pierce

CITY OF CRAIG CORPORATE SEAL STATE OF ALASKA

ATTEST Tina Habib

Tina Habib, Acting City Clerk

CITY OF CRAIG
RESOLUTION 10-22
Establishing Capital Projects for 2011

WHEREAS, the City of Craig Council annually prepares a comprehensive capital improvement program for the City of Craig; and,

WHEREAS, the United States Government and the State of Alaska annually prepare budgets and appropriate funds to local governments and state and federal agencies for the implementation of local and state capital improvement projects; and,

WHEREAS, the Craig City Council has identified certain capital improvement project priorities for the City of Craig for calendar year 2011.

NOW, THEREFORE, BE IT RESOLVED that the following projects, set forth in order of priority, are established as the City of Craig's top priorities for capital improvement projects for calendar year 2011:

1.	Street Paving and Improvements	$ 2,000,000
2.	Heavy Equipment Purchase – Public Works	$ 600,000
3.	Water/Wastewater System Planning, Cleaning and Upgrade	$ 200,000
4.	Increase water storage at municipal drinking water source	$ 800,000
5.	Water/Wastewater System Improvements	$ 1,200,000
6.	Wood Fired Boiler Debt Reduction	$ 450,000
7.	Complete Phase II Improvements in Klawock Airport Master Plan	$ 2,650,000
8.	Boat launch ramp breakwater and improvements	$ 300,000
9.	P.O.W.E.R. Roof	$ 50,000
10.	Connect Craig Tribal Hall to Wood Boiler	$ 200,000
11.	Development of Craig Cannery property & Harbor	$ 400,000
12.	Float Plane Terminal Access and Parking	$ 500,000
13.	Fish enhancement – POW Hatchery Association	$ 500,000
14.	Aquatic Center Expansion	$ 400,000
15.	Library Expansion Planning and Design	$ 100,000
16.	New Public Safety Building – Design and Engineering	$ 150,000
17.	Community Quota Entity quota share purchase	$ 150,000
18.	Development of city owned residential land	$ 250,000
19.	Craig/Klawock Bike Path, design and engineering	$ 100,000

APPROVED December 8th, 2010

CITY OF CRAIG CORPORATE SEAL STATE OF ALASKA

A. Millie Schoonover, Mayor

ATTEST Vicki Hamilton
Vicki Hamilton, City Clerk

CITY OF CRAIG
RESOLUTION 11-16
Establishing Capital Projects for 2012

WHEREAS, the City of Craig Council annually prepares a comprehensive capital improvement program for the City of Craig; and,

WHEREAS, the United States Government and the State of Alaska annually prepare budgets and appropriate funds to local governments and state and federal agencies for the implementation of local and state capital improvement projects; and,

WHEREAS, the Craig City Council has identified certain capital improvement project priorities for the City of Craig for calendar year 2012.

NOW, THEREFORE, BE IT RESOLVED that the following projects, set forth in order of priority, are established as the City of Craig's top priorities for capital improvement projects for calendar year 2012:

1.	Water/Wastewater System Planning, Cleaning and Upgrade	$ 200,000
2.	Heavy Equipment Purchase – Public Works	$ 600,000
3.	Public Safety Building Annex – Design, Engineering Construction	$ 100,000
4.	Increase water storage at municipal drinking water source	$ 100,000
5.	Development of Craig Cannery property & Harbor	$ 400,000
6.	Water/Wastewater System Improvements (Replace Lift Stations)	$ 1,200,000
7.	Complete Phase II Improvements in Klawock Airport Master Plan	$ 2,650,000
8.	Wood Fired Boiler Debt Reduction	$ 300,000
9.	Boat launch ramp breakwater and improvements	$ 300,000
10.	Fish enhancement – POW Hatchery Association	$ 500,000
11.	Float Plane Terminal Access and Parking	$ 500,000
12.	Connect Craig Tribal Hall to Wood Boiler	$ 500,000
13.	Aquatic Center Repairs and Expansion	$ 500,000
14.	Library Expansion Planning and Design	$ 100,000
15.	Development of city owned residential land	$ 250,000
16.	Community Quota Entity quota share purchase	$ 150,000
17.	Harbor Shop Building	$ 25,000
18.	Covered Boat Work Area Building	$ 300,000
19.	Craig-Klawock Separated Bike Path	$ 4,100,000

APPROVED December 14, 2011.

Dennis Watson, Mayor

ATTEST Vicki Hamilton

Vicki Hamilton, City Clerk

CITY OF CRAIG CORPORATE SEAL STATE OF ALASKA

CITY OF CRAIG
RESOLUTION 12-18
Establishing Capital Projects for 2013

WHEREAS, the City of Craig Council annually prepares a comprehensive capital improvement program for the City of Craig; and,

WHEREAS, the United States Government and the State of Alaska annually prepare budgets and appropriate funds to local governments and state and federal agencies for the implementation of local and state capital improvement projects; and,

WHEREAS, the Craig City Council has identified certain capital improvement project priorities for the City of Craig for calendar year 2013.

NOW, THEREFORE, BE IT RESOLVED that the following projects, set forth in order of priority, are established as the City of Craig's top priorities for capital improvement projects for calendar year 2013:

1.	Craig Street Improvements	$ 1,500,000
2.	Public Works Heavy Equipment Purchase – Phase II	$ 600,000
3.	Development of Cannery property & Harbor – Design/Construction	$12,000,000
4.	Wastewater Pump Station Replacement	$ 850,000
5.	Public Safety Building Construction	$ 1,250,000
6.	Prince of Wales Healthcare Building Expansion-Design/Construct	$ 1,250,000
7.	Complete Phase II Improvements in Klawock Airport Master Plan	$ 2,650,000
8.	Covered Work Area Building (Harbor Department)	$ 300,000
9.	Boat launch ramp improvements	$ 300,000
10.	City Technology Improvements	$ 350,000
11.	Debt Relief – POW Hatchery Association	$ 500,000
12.	Float Plane Terminal Access and Parking	$ 500,000
13.	Connect Craig Tribal Hall to Wood Boiler	$ 500,000
14.	Aquatic Center Repairs and Expansion Design and Engineering	$ 150,000
15.	Library Expansion Design and Engineering	$ 150,000
16.	Development of city owned residential land	$ 250,000
17.	Community Quota Entity quota share purchase	$ 150,000
18.	Craig-Klawock Separated Bike Path	$ 4,100,000
19.	POWER Building Renovation/Construction	$ 200,000

APPROVED: December 6, 2012.

Dennis Watson, Mayor

ATTEST: Kassi Knock, City Clerk

CITY OF CRAIG CORPORATE SEAL STATE OF ALASKA

CITY OF CRAIG
RESOLUTION 13-21
Establishing Capital Projects for 2014

WHEREAS, the City of Craig Council annually prepares a comprehensive capital improvement program for the City of Craig; and,

WHEREAS, the United States Government and the State of Alaska annually prepare budgets and appropriate funds to local governments and state and federal agencies for the implementation of local and state capital improvement projects; and,

WHEREAS, the Craig City Council has identified certain capital improvement project priorities for the City of Craig for calendar year 2014.

NOW, THEREFORE, BE IT RESOLVED that the following projects, set forth in order of priority, are established as the City of Craig's top priorities for capital improvement projects for calendar year 2014:

1.	Craig Street Improvements	$ 1,500,000
2.	Public Works Heavy Equipment Purchase (Phase II)	$ 600,000
3.	Public Safety Building Construction	$ 2,500,000
4.	Development of Cannery property & Harbor – Design/Construction	$12,000,000
5.	Wastewater Pump Station Replacement	$ 850,000
6.	Prince of Wales Healthcare Building Expansion – Design/Construct	$ 1,250,000
7.	Aquatic Center Repairs, Upgrade and Expansion	$ 1,000,000
8.	Complete Phase II Improvements in Klawock Airport Master Plan	$ 2,650,000
9.	Covered Work Area Building (Harbor Department)	$ 300,000
10.	Debt Relief – POW Hatchery Association	$ 500,000
11.	Float Plane Terminal Access and Parking	$ 500,000
12.	Connect Craig Tribal Hall to Wood Boiler	$ 500,000
13.	Library Expansion Design and Engineering	$ 150,000
14.	Community Quota Entity quota share purchase	$ 150,000
15.	Craig-Klawock Separated Bike Path	$ 4,100,000
16.	POWER Building Renovation/Construction	$ 200,000

APPROVED: December 12, 2013.

Dennis Watson, Mayor

ATTEST

Kassi Knock, City Clerk

CITY OF CRAIG CORPORATE SEAL STATE OF ALASKA

CITY OF CRAIG
RESOLUTION 15-02
Establishing Capital Projects for 2015

WHEREAS, the City of Craig Council annually prepares a comprehensive capital improvement program for the City of Craig; and,

WHEREAS, the United States Government and the State of Alaska annually prepare budgets and appropriate funds to local governments and state and federal agencies for the implementation of local and state capital improvement projects; and,

WHEREAS, the Craig City Council has identified certain capital improvement project priorities for the City of Craig for calendar year 2015.

NOW, THEREFORE, BE IT RESOLVED that the following projects, set forth in order of priority, are established as the City of Craig's top priorities for capital improvement projects for calendar year 2015:

1.	Craig Street Improvements	$ 1,000,000
2.	Public Works Heavy Equipment Purchase (Phase II)	$ 350,000
3.	Public Works Heavy Equipment Storage	$ 400,000
4.	Public Safety Building Construction	$ 4,000,000
5.	Development of Cannery property & Harbor Construction	$12,000,000
6.	Wastewater Pump Station Replacement	$ 850,000
7.	Prince of Wales Healthcare Building Expansion – Design/Construct	$ 1,250,000
8.	Aquatic Center Repairs, Upgrade and Expansion	$ 1,000,000
9.	Complete Phase II Improvements in Klawock Airport Master Plan	$ 2,650,000
10.	Covered Work Area Building (Harbor Department)	$ 300,000
11.	Debt Relief – POW Hatchery Association	$ 500,000
12.	Float Plane Terminal Access and Parking	$ 500,000
13.	Connect Craig Tribal Hall to Wood Boiler	$ 500,000
14.	Library Expansion Design and Engineering	$ 150,000
15.	Community Quota Entity quota share purchase	$ 150,000
16.	Craig-Klawock Separated Bike Path	$ 4,100,000
17.	POWER Building Renovation/Construction	$ 200,000

APPROVED: January 15, 2015.

Dennis Watson, Mayor

CITY OF CRAIG CORPORATE SEAL STATE OF ALASKA

Kassi Bateman , City Clerk

DEPARTMENT OF THE ARMY
CHIEF OF ENGINEERS
2600 ARMY PENTAGON
WASHINGTON, DC 20310-2600

MAR 16 2016

DAEN

SUBJECT: Craig, Alaska, Navigation Improvements Project

THE SECRETARY OF THE ARMY

1. I submit for transmission to Congress my report on navigation improvements in the vicinity of Craig, Alaska. It is accompanied by the report of the district and division engineer. This report was prepared in partial response to Section 204 of the Flood Control Act of 1948 and a resolution by the Committee on Public Works of the House of Representatives, adopted 2 December 1970. Section 204 of the Flood Control Act of 1948 authorized and directed the Chief of Engineers to determine the advisability of improvements in the interest of navigation in Alaska. The study resolution requested a review of the report of the Chief of Engineers on Rivers and Harbors in Alaska, published as House Document 414, 83rd Congress, and other pertinent reports, with a view to determine whether any modifications of the recommendations contained therein are advisable. Preconstruction engineering and design activities, if funded, would be continued under the authority provided by the resolution cited above.

2. The reporting officers recommend authorizing a project to improve navigation access at Craig, Alaska. Based on an economic evaluation of alternative plan costs and economic benefits, alternative 2b was identified as the plan that reasonably maximizes net national economic development benefits consistent with protecting the Nation's environment. The project consists of approximately 1,900 feet of breakwater protecting a 10.1-acre mooring basin.

a. The breakwater has two sections with a 300-foot breakwater extending from the northwest tip of Craig Island and a 1,600-foot long breakwater in an "L" shape. This configuration provides protection from southerly long-period swell and northerly short-period waves and provides 3 feet of water for fish passage during 95 percent of tides commensurate with National Marine Fisheries Service recommendations for essential fish habitat. The breakwaters are constructed of rock fill with armor stones that average about 1 ton. The breakwaters would have side slopes of 1V on 1.5H and a crest width of 7 feet at elevation 18 feet NAVD88.

b. Construction of the recommended plan includes placement of 208,000 cubic yards of associated rock for the breakwaters and installation of floats sufficient to provide moorage to 145 vessels ranging from 20 feet to 140 feet in length.

c. Determination has been made that no compensatory mitigation is needed as there are no impacts to significant resources.

DAEN
SUBJECT: Craig, Alaska, Navigation Improvements Project

3. Project Costs Breakdown based on October 2015 Prices.

a. Project First Cost. The estimated project first cost is $32,317,000, which includes the cost of constructing the General Navigation Features (GNF) and the lands, easements, rights-of-way, and relocations (LERR) estimated as follows: $32,291,000 for GNF; $26,000 for the value of LERR (except utility relocations) provided by the non-federal sponsor; and, as applicable if the project involves a deep draft harbor.

b. Estimated federal and non-federal shares. The estimated federal and non-federal shares of the project first cost are $29,062,000 and $3,255,000 respectively, as apportioned in accordance with cost sharing provisions of Section 101 of the Water Resources Development Act (WRDA) of 1986, as amended (33 U.S.C. 2211), as follows:

(1) The cost of GNFs less than 20 feet Mean Lower Low Water will be shared at a rate of 90 percent by the government and 10 percent by the non-federal sponsor.

(2) The entire $26,000 for LERR is eligible for credit.

c. Additional 10 Percent Payment. In addition to the non-federal sponsor's estimated share of the total first cost of construction of the project in the amount of $3,229,000, pursuant to Section 101 of WRDA 1986, as amended, the non-federal sponsor must pay an additional 10 percent of the costs for GNFs of the project, $3,229,000, in cash over a period not to exceed 30 years, with interest. The value of LERR will be credited toward this payment.

d. Operations and Maintenance Costs. Operation, maintenance, repair, replacement, and rehabilitation (OMRR&R) of the project after construction will have average annual federal costs of $39,000. There are no anticipated federal costs associated with maintaining the launch area or non-federal OMRR&R costs associated with the local service facilities.

e. Local Service Facilities. The associated cost for local service facilities is approximately $4,128,000, which consists of demolishing an existing pier and piles and constructing gangways and floats. Aids to Navigation were calculated at $18,000 and are an associated federal cost. These costs are 100 percent non-federal and are not included in the project first costs, although they are considered in the total construction costs of $36,463,000 for purposes of economic analysis.

f. Authorized Project Cost and Section 902 Calculation. The project first cost, for the purposes of authorization and calculating the maximum cost of the project pursuant to Section 902 of WRDA 1986, as amended, includes estimates for GNF construction costs, the value of LERR provided under Section 101(a)(3) of WRDA 1986, as amended. Accordingly, as set forth in paragraph 3(a) above, based on an October 2015 Price Level, the estimated project first cost for these purposes is $32,317,000 with a federal share of $29,062,000 and a non-federal share of $3,255,000.

4. Based on October 2015 price levels, a 3.125-percent discount rate and a 50-year period of analysis, the total equivalent average annual costs of the project are estimated to be $1,536,000, including OMRR&R. Equivalent annual National Economic Development (NED) benefits are estimated at $1,897,000, for a benefit to cost ratio of 1.24 to 1 with average annual net benefits amounting to $361,000.

5. Risk and uncertainty were evaluated for economic costs and sea level rise. In accordance with the Corps Engineering Circular on sea level change the study analyzed three sea level rise rates; low (baseline), intermediate, and high. The baseline, intermediate, and high sea level rise values at the end of the 50-year period of analysis were projected to be -0.04 ft., 0.43 ft., and 1.93 ft., respectively. In general, regional sea level rise (baseline, intermediate, and high) will not affect channel availability or the function of the project which is designed for overtopping.

6. In accordance with the Corps Engineering Circular on review of decision documents, all technical, engineering and scientific work underwent an open, dynamic and vigorous review process to ensure technical quality. This included District Quality Control, Agency Technical Review, policy and legal compliance review, and Cost Engineering Directory of Expertise review and certification. Overall the reviews resulted in improvements to the technical quality of the report.

7. Washington level review indicates that the plan recommended by the reporting officers is technically sound, environmentally and socially acceptable, economically justified, and policy compliant. The views of interested parties, including federal, state and local agencies have been considered.

8. I concur in the findings, conclusions, and recommendations of the reporting officers, which identify the NED plan in accordance with applicable laws and policies. Accordingly, I recommend that the cost efficient plan for improved navigation access to Craig, Alaska be authorized in accordance with the reporting officers' recommended plan at an estimated cost of $32,317,000 with such modifications as in the discretion of the Chief of Engineers may be advisable. My recommendation is subject to cost sharing, financing, and other applicable requirements of federal and state laws and policies, including Section 101 of WRDA 1986, as amended. The non-federal sponsors would provide the non-federal cost share and all LERR. This recommendation is subject to the non-federal sponsors agreeing to comply with all applicable federal laws and policies including that the non-federal sponsors must agree with the following requirements prior to project implementation.

a. Provide, during the periods of design and construction, a cash contribution equal to the following percentages of the total cost of construction of the GNF (which include the construction of land-based and aquatic dredged material disposal facilities that are necessary for the placement of dredged material required for project construction or operation and maintenance and for which a contract for the federal facility's construction or improvement was not awarded on or before October 12, 1996):

(1) 10 percent of the costs attributable to dredging to a depth not in excess of 20 feet;

(2) 25 percent of the costs attributable to dredging to a depth in excess of 20 feet but not in excess of 45 feet;

b. Provide all lands, easements, and rights-of-way, including those necessary for the borrowing of material and the disposal of dredged or excavated material, and perform or ensure the performance of all relocations, including utility relocations, all as determined by the Federal Government to be necessary for the construction or operation and maintenance of the GNF, all in compliance with applicable provisions of the Uniform Relocation and Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601-4655) and the regulations contained in 49 C.F.R. Part 24;

c. Pay with interest, over a period not to exceed 30 years following completion of the period of construction of the GNF, an additional amount equal to 10 percent of the total cost of construction of the GNF less the amount of credit afforded by the government for the value of LERR, including utility relocations, provided by the non-federal sponsor for the GNF. If the amount of credit afforded by the government for the value of LERR, including utility relocations, provided by the non-federal sponsor equals or exceeds 10 percent of the total cost of construction of the GNF, the non-federal sponsor shall not be required to make any contribution under this paragraph, nor shall it be entitled to any refund for the value of LERR, including utility relocations, in excess of 10 percent of the total cost of construction of the GNF;

d. Prevent obstructions or encroachments on the project (including prescribing and enforcing regulations to prevent such obstructions or encroachments) such as any new developments on project lands, easements, and rights-of-way or the addition of facilities which might reduce the outputs produced by the project, hinder operation and maintenance of the project, or interfere with the project's proper function;

e. Provide, operate, and maintain at no cost to the government, the local service facilities including docks, floats, local access channels, mooring areas, etc.; in a manner compatible with the project's authorized purposes and in accordance with applicable federal and state laws and regulations and any specific directions prescribed by the Federal Government;

f. Hold and save the United States free from all damages arising from the construction or operation and maintenance of the project, any betterments, and the local service facilities, except for damages due to the fault or negligence of the United States or its contractors;

g. Perform, or ensure performance of, any investigations for hazardous substances that are determined necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. 9601-9675, that may exist in, on, or under lands, easements, and rights-of-way that the Federal Government determines to be necessary for the construction or operation and maintenance of the GNF. However, for lands, easements, and rights-of-way that the government determines to be subject to the navigation servitude, only the government shall perform such investigation unless the Federal Government provides the non-federal sponsor with

prior specific written direction, in which case the non-federal sponsor shall perform such investigations in accordance with such written direction;

g. Assume complete financial responsibility, as between the Federal Government and the non-federal sponsor, for all necessary cleanup and response costs of any hazardous substances regulated under CERCLA that are located in, on, or under lands, easements, or rights-of-way that the Federal Government determines to be necessary for the construction or operation and maintenance of the GNF; and

h. Agree, as between the Federal Government and the non-federal sponsor, that the non-federal sponsor shall be considered the operator of the local service facilities for the purpose of CERCLA liability, and to the maximum extent practicable, perform its obligations related to the project in a manner that will not cause liability to arise under CERCLA; and

i. Accomplish all removals determined necessary by the Federal Government other than those removals specifically assigned to the Federal Government.

9. The recommendation contained herein reflects the information available at this time and current departmental policies governing formulation of individual projects. It does not reflect program and budgeting priorities inherent in the formulation of a national civil works construction program or the perspective of higher review levels within the executive branch. Consequently, the recommendation may be modified before it is transmitted to the Congress as a proposal for authorization and implementation funding. However, prior to transmittal to Congress, the sponsor, the state, interested federal agencies, and other parties will be advised of any significant modifications and will be afforded an opportunity to comment further.

THOMAS P. BOSTICK
Lieutenant General, USA
Chief of Engineers

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