

**STATEMENT OF ARLEN LANCASTER, CHIEF
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U.S. DEPARTMENT OF AGRICULTURE
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON WATER RESOURCES AND THE ENVIRONMENT**

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Chairwoman and Members of the Subcommittee:

Thank you for the opportunity to appear before the Subcommittee to discuss water resource program activities of the Natural Resources Conservation Service (NRCS). Our mission at NRCS is to help people help the land. Through the water resource programs that NRCS administers, our employees work in partnership with local leaders to improve the overall function and health of our Nation's watersheds. Our objective is to improve local communities' access to clean, safe, and reliable water resources, while providing protection from floods and mitigating the effects of natural disasters.

In my remarks today, I will describe our ongoing work in this area, and discuss our budget and priorities for fiscal year (FY) 2008. I will specifically address four programs: 1) Watershed Surveys and Planning, 2) Watershed and Flood Prevention Operations, 3) Emergency Watershed Protection, and 4) Watershed Rehabilitation.

The Watershed Protection and Flood Prevention Act of 1954 (Public Law 83-566), which established the Agency's water resource programs and the Flood Control Act of 1944 (Public Law 78-534) have provided NRCS the authority to complete work on 2,000 watershed projects nationwide, through helping local communities construct 11,000 flood control dams.

The NRCS water resource programs provide communities and landowners site-specific technical expertise for watershed planning and financial assistance for watershed project implementation. The programs provide a process to solve local natural resource problems, including flood damage mitigation, water quality improvement, ensuring an adequate rural water supply, water conservation, soil erosion control, and fish and wildlife habitat improvement.

The local sponsoring organization submits an application for Federal assistance, assures public participation, makes project planning and implementation decisions, obtains land rights and permits, provides local cost-share funds, carries out all phases of the project installation according to policy and has responsibility for all operations and maintenance of the projects.

Fiscal Year 2008 Budget Proposal

The President's FY 2008 budget recommends eliminating funding for most of NRCS Watershed Program activities on the basis that these programs are nearly 100 percent earmarked and could be better used to address higher priority programs. The program funds local, in many cases privately-owned, flood prevention and water improvement projects that are not federal priorities. In addition, an Office of Management and Budget analysis in the 2004 budget found that the program was the least cost effective federal flood damage reduction program

The elimination and reduction of funding for these programs, which are heavily earmarked, reflects the realignment of the Administration's priorities to direct funding to the highest priority activities of national interest.

Water Resource Programs

Highlights of the Watershed and Flood Prevention Operations, Watershed Survey and Planning, Emergency Watershed Protection, and Watershed Rehabilitation programs are as follows:

Watershed and Flood Prevention Operations

The Flood Control Act of 1944 (P.L. 78-534) authorizes the Secretary of Agriculture to install watershed improvement measures to reduce flood, sedimentation, and erosion damages; further the conservation, development, utilization, and disposal of water; and foster conservation and proper utilization of land. Flood prevention work is authorized in the 11 watersheds designated in the Flood Control Act.

The Watershed Protection and Flood Prevention Act of 1954 (P.L. 83-566) provides for cooperation between the Federal Government and the States and their political subdivisions in a program to prevent erosion, floodwater, and sediment damages; to further the conservation, development, utilization, and disposal of water; and to further the conservation and proper utilization of land in authorized watersheds.

The P.L. 78-534 and P.L. 83-566 programs have similar authorities. The planning criteria, economic justifications, local sponsorship requirements, cost-sharing criteria, structural limitations, and other policies and procedures used in P.L. 78-534 projects generally parallel those used in P.L. 83-566 projects.

The FY 2008 President's Budget for Flood Prevention Operations, P.L. 78- 534, and Watershed Operations, P.L. 83-566 proposes to eliminate funds for these two programs and redirect them to other higher priority programs. Because benefits from P.L. 78-534 and P.L. 83-566 projects are highly localized, local sponsoring organization and

state and local governments are expected to assume a greater role in completing projects and addressing water resource problems.

In addition, for the last several years, NRCS has been managing a watershed program over which it had little control. We have been administering a program that is nearly 100 percent earmarked and that poses some serious management challenges. This has created problems in setting and addressing national priorities that will garner the greatest environmental benefit; providing the high-quality technically trained interdisciplinary staff in the proper locations; and in strategically improving the health of critical watersheds. In addition, there is some duplication between the water resource programs and Farm Bill conservation programs. As an Agency, we can currently provide land treatment assistance with the Watershed Protection and Flood Prevention Operations Program, the Conservation Technical Assistance Program, and through the Environmental Quality Incentives Program.

Watershed Surveys and Planning

The Watershed Surveys and Planning account helps communities and local sponsors assess natural resource issues and develop coordinated watershed plans that will conserve and utilize their natural resources, solve local natural resource and related economic problems, avoid and mitigate hazards related to flooding, and provide for advanced planning for local resource development. This includes Floodplain Management Studies, Cooperative River Basin Studies, Flood Insurance Studies, Watershed Inventory and Analysis, and other types of studies, as well as P.L. 83-566 Watershed Plans. Over 65 percent of these plans are used to guide local planning efforts; the other 35 percent guide experts and sponsors in the implementation of watershed projects to solve natural resource problems.

The President's budget for FY 2008 proposes to eliminate funds for this program and redirect them to other higher priority programs. With the elimination of Watershed and Flood Prevention Operations, continuation of the planning component is no longer necessary. Local sponsoring organizations, as well as State and local governments, are expected to assume a more active leadership role in identifying water resource problems and their solutions.

Emergency Watershed Protection

The purpose of the Emergency Watershed Protection (EWP) program is to undertake emergency measures, including the purchase of floodplain easements, for runoff retardation and soil erosion prevention to safeguard lives and property from natural disasters. The typical process for delivery of this program starts with the local sponsor requesting assistance for a disaster recovery effort. NRCS then conducts a damage assessment to identify if the project is eligible and develop an estimated cost. Typical work under this program ranges from debris removal from clogged streams caused by flooding; installing conservation measures, like reseeding native grasses, to prevent soil

erosion on hillsides after a fire; or replanting and reshaping streambanks due to erosion caused by flooding. The FY 2006 Supplemental Appropriations provided an additional \$350.9 million for the EWP program recovery efforts from Hurricanes Katrina, Rita, Wilma and Dennis. At the request from communities across the Gulf region recovering from the 2005 Hurricanes, NRCS has committed the \$350.9 million and obligated nearly \$200 million in recovery work under the EWP program.

In January 2007, \$42.5 million was provided through EWP to assist with natural disaster recovery efforts in 13 States that occurred between December 2005 and June 2006. The funds will provide critical assistance and continue the federal partnership for environmental restoration projects on private lands damaged by natural disasters. This funding will also help restore agricultural and community infrastructure disrupted by flooding, severe stream bank erosion and debris deposits.

The FY 2008 President's Budget does not propose funding this program. Historically, Congress has elected to fund this program through emergency supplemental appropriations as disasters occur.

Watershed Rehabilitation

In November 2000, P.L. 83-566 was amended by P.L. 106-742 "The Watershed Rehabilitation Amendments of 2000," which authorized NRCS to assist communities to address public health and safety concerns and environmental impacts of aging dams.

Through the Watershed Rehabilitation Program, NRCS provides technical and financial assistance to communities to perform rehabilitation work on aging flood control infrastructure. NRCS identifies dams that are both most at-risk of failure and pose the greatest risk to public safety and property. Since 1948, over 11,000 flood control dams have been built in the 2,000 project areas across America.

Since enactment of the "Watershed Rehabilitation Amendments of 2000" and subsequent amendments in the 2002 Farm Bill, NRCS has 113 dams that have rehabilitation plans authorized and the projects are completed or implementation of the plans is underway. NRCS is actively helping local communities rehabilitate aging dams, with the average dam rehabilitation cost roughly at \$1.5 million.

An example of the many successful rehabilitation projects is:

- South River Watershed Rehabilitation Project in Augusta County Virginia. NRCS authorized federal assistance for the rehabilitation of three dams in Virginia at an estimated cost of \$4.1 million. The work performed on these dams will continue to serve Virginia residents safely for the next 50 years.

The projects include Robinson Hollow Dam, Thomas Branch Dam and Inch Branch Dam in the South River Watershed in Augusta County, Virginia. The

Robinson Hollow and Inch Branch Dams were built in 1956 and the Thomas Branch Dam was built in 1957. The rehabilitation of these dams will reduce the threat to more than 1,300 people who live in 263 homes downstream from the dams, as well as provide continued protection of 29 roads, 13 bridges and 10 business structures. The projects will provide \$179,000 in monetary benefits each year for the next 50 years. The Federal Government will pay 65 percent of the total cost of the projects. Locally, the project is being sponsored by the Headwaters Soil and Water Conservation District, the Augusta County Board of Supervisors and the City of Waynesboro.

The President's budget funding request for FY 2008 includes \$5.8 million for Watershed Rehabilitation technical assistance activities involving aging dams. This will address and focus on critical dams with a high risk for loss of life and property and the greatest potential for damage.

This is a significant decrease from prior years and reflects the Administration's position that the maintenance, repair, and operation of these dams are primarily local responsibilities because program benefits are highly localized.

Summary

In summary, the U.S. Department of Agriculture has accomplished much through the water resource programs over the past 50 years. However, since the benefits from these programs primarily accrue to local communities, we recommend that local communities take a larger role in funding such projects.

I thank the Subcommittee and would be happy to respond to any questions.