

**DEPARTMENT OF THE ARMY**

**COMPLETE STATEMENT**

**TERRENCE C. SALT**

**PRINCIPAL DEPUTY ASSISTANT SECRETARY OF THE ARMY**

**(CIVIL WORKS)**

**BEFORE**

**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**

**UNITED STATES HOUSE OF REPRESENTATIVES**

**ON**

**Implementation of**

**The American Recovery and Reinvestment Act of 2009**

**APRIL 29, 2009**

Mister Chairman and distinguished members of the Committee, I am Terrence Salt, Principal Deputy Assistant Secretary of the Army (Civil Works). Thank you for the opportunity to testify before the Committee today to discuss the Army's implementation of the Civil Works appropriation within the American Recovery and Reinvestment Act of 2009 (ARRA) .

## **OVERVIEW**

The Recovery Act provides funds to meet the intent of the President and Congress to quickly put our fellow citizens to work and to help in the recovery of the nation's economy. In addition, the Corps Civil Works projects accomplished through Recovery Act funding will continue to contribute to the Nation's safety, economy, environment, and quality of life long past the Recovery Act funding period. The Act provides funding to: Preserve and create jobs and promote recovery; assist those most impacted by the recession; provide investment needed to increase economic efficiency by spurring technological advance in science and health; invest in transportation, environmental protection, and other infrastructure that will provide long term economic benefits; and stabilize State and local government budgets.

The Recovery Act provides funding to the Corps to do this via the development and restoration of the Nation's water and related resources. There is also funding to support our permitting activities for protection of the Nation's regulated waters and wetlands and cleanup of sites contaminated as a result of the Nation's early efforts to develop atomic weapons. Also, Congress mandated that work such as wastewater treatment and municipal and industrial water treatment and distribution will be funded at no less than \$200 million.

Total discretionary funding for Civil Works in the Recovery Act is \$4.6 billion and is provided in six accounts. Within the total program, \$2.075 billion is for activities funded in the Operation and Maintenance (O&M) account. The Recovery Act also provides \$2 billion in the Construction account; \$375 million in the Mississippi River and Tributaries account; \$25 million in the Investigations account; \$25 million in the Regulatory account; and \$100 million in the Formerly Used Sites Remedial Action Program account.

The Corps will follow the Recovery Act's general principle to manage and expend funds so as to achieve the Act's stated purposes, including commencing expenditures and activities as quickly as possible consistent with prudent management, and consistent with the President's direction provided in the Executive Memorandum of 20 March 2009 – Ensuring Responsible Spending of Recovery Act Funds. In that Memorandum, the President directed agencies to be sure that Recovery Act funds are spent responsibly and transparently and that projects are selected on merit-based principles.

Additional project selection criteria suggested in the Joint Explanatory Statement accompanying the Act states that projects, programs or activities (PPAs) accomplished with Recovery Act dollars will:

- Be obligated/executed quickly;
- Result in high, immediate employment;
- Have little schedule risk;
- Be executed by contract or direct hire of temporary labor; and
- Complete a project phase, a project, an element, or will provide a useful service that does not require additional funding.

Also as stipulated in the Recovery Act, no funds will be used for any PPA that, at the time of the obligation, had not previously received funds in Acts making appropriations available for Energy and Water Development. In other words, no new starts can receive Recovery Act funds.

Other statutory language includes:

- ARRA funds are not to be cost-shared with the Inland Waterways Trust Fund
- Not less than \$200 million for environmental infrastructure
- Section 902 of the Water Resources Development Act of 1986, as amended, (establishing a maximum authorized cost for a project and prohibiting expenditures in excess of this limit) does not apply in Fiscal year 2009
- All unobligated funds (except for Engineering and Design (E&D), Supervision and Administration (S&A) and claims) expire September 30, 2010.

The Recovery Act does provide for obligations to be made past the date of unobligated fund expiration in the Investigations, Construction, Mississippi River and Tributaries, Operation and Maintenance, and FUSRAP accounts for “associated” Engineering and Design (E&D), Supervision and Administration (S&A), and subsequent claims, if any. “Associated” means those activities related to the execution of contracts that will have been awarded with Recovery Act funds through FY 2010. The Act also permits up to ½ percent of Civil Works Recovery Act funds to be used for oversight. The oversight funds expire at the end of FY 2012 (September 30, 2012).

## **WATER RESOURCES DEVELOPMENT ACCOUNTS**

### Investigations

The Recovery Act provides \$25 million for the Investigations account.

### Construction

The Recovery Act provides \$2 billion in the Construction account.

### Operation and Maintenance Program

The Recovery Act provides \$2.075 billion for the Operation and Maintenance account.

### Flood Control, Mississippi River and Tributaries Program (MR&T)

The Recovery Act provides \$375 billion for the MR&T account.

### Formerly Used Sites, Remedial Action Program (FUSRAP)

The Recovery Act provides \$100 million for (FUSRAP) to clean up contamination at sites resulting largely from the early atomic weapons program.

### Regulatory Program

The Recovery Act provides \$25 million for the Corps Regulatory Program to support the funding of contract and temporary personnel to protect wetlands and other waters of the United States. The funding will be used for permit processing. The funds will be distributed to Corps districts based on work load, to accelerate regulatory processes for non-federal investments that need permits

## **CONCLUSION**

At \$4.6 billion, the FY 2009 ARRA provides the resources for the Civil Works program to pursue investments that will yield good returns for the Nation in the future. Projects not funded under Recovery Act will still be considered for inclusion in the FY2010 and future budgets.

Thank you, Mr. Chairman and Members of the Committee, for this opportunity to testify on the Recovery Act program for the U.S. Army Corps of Engineers.