

**DEPARTMENT OF THE ARMY CORPS OF ENGINEERS**

**COMPLETE STATEMENT OF**

**LIEUTENANT GENERAL THOMAS P. BOSTICK**  
**CHIEF OF ENGINEERS**  
**U.S. ARMY CORPS OF ENGINEERS**

**BEFORE**

**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**  
**SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT**  
**UNITED STATES HOUSE OF REPRESENTATIVES**

**ON**

**THE PRESIDENT'S FISCAL YEAR 2014 BUDGET:**  
**ADMINISTRATION PRIORITIES FOR**  
**THE U.S. ARMY CORPS OF ENGINEERS**

**APRIL 24, 2013**

Mr. Chairman and Members of the Subcommittee:

I am honored to be testifying before your committee today, along with the Assistant Secretary of the Army for Civil Works, the Honorable Jo-Ellen Darcy, on the President's Fiscal Year 2014 (FY 2014) Budget for the Civil Works Program of the United States Army Corps of Engineers.

This is my first time before this Subcommittee and I look forward to working with you. I have been in Command of the U.S. Army Corps of Engineers for nearly a year, and I want to touch briefly on the four Campaign Goals for the U.S. Army Corps of Engineers (Corps) that are now in place. First, we must support the Warfighter with our work in the areas of operations of Combatant Commands and on U.S. installations around the world. Second, we must transform Civil Works by modernizing the project planning process, by enhancing the budget development process, by using a smart infrastructure strategy to evaluate our portfolio of water resources projects, and by improving our methods of delivery. Third, we must reduce disaster risks and continue to respond to natural disasters under the National Response Framework as well as our ongoing efforts with flood risk management. Fourth, we must prepare for tomorrow, positioning our workforce and processes for future challenges, and focusing on research and development efforts that will help solve the greatest challenges facing the Army and the Nation.

In 2012, the Corps responded to several weather-related events, including Hurricane Sandy, under the National Response Framework in support of FEMA. Drought was a significant problem as we experienced extraordinarily low water on the middle Mississippi River. The great men and women of the Corps worked tirelessly, together with our state, local and industry partners, to ensure that we could deliver on our many commitments. It is through their efforts that we will continue to be able to carry out the projects and programs included in the FY 2014 Budget.

My statement covers the following 10 topics:

- Summary of FY 2014 Budget
- Investigations Program
- Construction Program
- Operation and Maintenance Program
- Reimbursable Program
- Planning Program Modernization
- Efficiency and Effectiveness of Corps Operations
- Value of the Civil Works Program to the Nation's Economy
- Research and Development
- National Defense

## **SUMMARY OF FY 2014 BUDGET**

The Corps is fully committed to supporting the Nation's priorities by contributing to the economy, improving the resiliency and safety of our water resources infrastructure, restoring and protecting the environment, and supporting American jobs. The FY 2014 Civil Works Budget is a performance-based budget, which reflects a focus on the projects and activities that provide the highest net economic and environmental returns on the Nation's investment or address significant risks to safety. This includes continuing the levee safety initiative and supporting increased interagency and stakeholder collaboration. These investments in projects and activities that support waterborne transportation, reduce the risk of flooding to businesses and homes, restore significant aquatic ecosystems, provide low-cost renewable hydropower, and support American jobs.

The Budget focuses on high performing projects and programs within the three main water resources missions of the Corps: commercial navigation, flood and storm damage reduction and aquatic ecosystem restoration. The FY 2014 Budget includes \$4.826 billion in gross discretionary funding—offset in part by a proposal to cancel \$100 million in unobligated carryover of funding appropriated prior to FY 2013—to fund Civil Works activities, including work on more than 600 flood and coastal storm damage reduction projects, 178 coastal ports, and 193 lock projects.

The Budget will also enable the Corps to process approximately 90,000 permit requests while protecting our Nation's waters and wetlands; operate 75 hydropower plants with 353 generating units that annually produce about 24,000 megawatts; meet about 14 percent of the Nation's municipal water needs; and sustain our preparedness to respond to natural disasters.

## **INVESTIGATIONS PROGRAM**

The FY 2014 Budget provides \$90 million in the Investigations account and an additional \$10 million in the Mississippi River and Tributaries account to fund projects and activities that will enable the Corps to evaluate and design projects that are the most likely to be high-performing within the Corps three main mission areas: commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration.

## **CONSTRUCTION PROGRAM**

The goal of the construction program is to deliver as much value as possible for the Nation from the available funds. The Budget provides \$1.35 billion for the Construction account and \$113 million in the Mississippi River and Tributaries account to further this objective and gives priority to the projects with the greatest net economic and

environmental returns per dollar invested, as well as to projects that address a significant risk to safety.

The Corps uses objective performance measures to establish priorities among projects. These include benefit-to-cost ratios for projects that are being funded primarily due to their economic outputs and cost-effectiveness for the restoration of significant aquatic ecosystems. The selection process also gives priority to dam safety assurance, seepage control, and static instability correction projects and to projects that address a significant risk to safety.

## **OPERATION AND MAINTENANCE PROGRAM**

All structures age over time with a potential decline in reliability. With proper maintenance and periodic rehabilitation, we can extend the effective lifetime of most of the facilities owned or operated by, or on behalf of, the Corps. As stewards of this infrastructure, we are working to ensure that its key features continue to provide an appropriate level of service to the American people. In some cases, this is proving to be a challenge.

The Budget provides \$2.588 billion for the Operation and Maintenance (O&M) account and an additional \$156 million under the Mississippi River and Tributaries account with a focus on the maintenance of key commercial navigation, flood risk management, hydropower, and other facilities. The Budget gives priority to those coastal ports and inland waterways with the most commercial traffic, and increases the total amount to be spent from the Harbor Maintenance Trust Fund to a level that is higher than in any previous Budgets. The Budget also funds small harbors that support significant commercial fishing, subsistence, or public transportation benefits. The Budget provides operation and maintenance funding for safety improvements at federal dams and levees based on the risk and consequence of a failure.

Generally, the O&M program supports completed works owned or operated by the Corps, including administrative buildings and laboratories. Work to be accomplished includes: operation of the locks and dams along the inland waterways; dredging of inland and coastal federal channels; operating multiple purpose dams and reservoirs for flood control, hydropower, recreation, and related purposes; maintenance and repair of the facilities; monitoring of completed coastal projects; and general management of Corps facilities and the land associated with these purposes.

The FY 2014 Budget provides \$204 million in Operation and Maintenance funds for hydropower, to maintain critical power components such as generators, turbines, transformers and circuit breakers at Corps hydropower facilities to keep them operating efficiently and effectively.

## **REIMBURSABLE PROGRAM**

Through the Interagency and Intergovernmental Services Reimbursable Program, the Civil Works program helps other federal agencies, state, local, and tribal governments, and other countries with timely, cost-effective implementation of their programs. These agencies can turn to the Corps, which already has these capabilities, rather than develop their own internal workforce to oversee design and construction projects. Such intergovernmental cooperation is effective for agencies and the taxpayer by using the skills and talents that we bring to our Civil Works and Military Programs missions. The work is principally technical oversight and management of engineering, environmental, and construction contracts performed by private sector firms, and is financed by the agencies we service.

We only accept agency requests that we can execute without impacting our Civil Works or Military Programs missions that are consistent with our core technical expertise and that are in the national interest.

## **PLANNING PROGRAM MODERNIZATION**

Planning modernization includes a transformation of how the Corps Planning Program manages its portfolio of studies and delivers planning studies. In the past two fiscal years, to better manage its study portfolio, the Corps has significantly reduced the active study portfolio, from 650 to around 200 studies, roughly a 60 percent decrease, which enables us to focus available funding on the studies that are most likely to produce projects with high economic or environmental returns to the Nation or that address significant safety risk. To better deliver studies, the Corps has embraced a new planning process referred to as “SMART Planning” (Specific, Measurable, Attainable, Risk-informed, and Timely). SMART Planning is risk-informed, decision focused planning that utilizes a 6-step planning process, which emphasizes the scoping of our analyses based on what is necessary for decisions. This new approach reduces resource requirements—both time and money—by appropriately focusing on the key drivers in resolving problems while complying with all applicable laws.

The goal under SMART planning is to complete most feasibility studies within three years for \$3 million or less. The end product is a decision document that has been fully coordinated by three levels of the organization (Corps Headquarters, the Corps Division, and the Corps District) from study inception to completion. As a shorthand, we are calling this new approach “3x3x3.” The Corps expects full implementation of this new approach in FY 2014 and has been working with its federal and non-federal partners to use this new approach to evaluating water resources problems.

## **EFFICIENCY AND EFFECTIVENESS OF CORPS OPERATIONS**

The Corps strives to continually improve the efficiency and effectiveness of its investigations, construction, and operation and maintenance programs. In FY 2014, the Corps will further expand the implementation of a modern asset management program, dedicating an increased amount of its Operation and Maintenance funding for the highest priority maintenance work, while implementing an energy sustainability program that pursues major efficiencies in the acquisition and operations of its information technology assets, as well as finalizes the reorganization of the Corps acquisition workforce.

## **VALUE OF THE CIVIL WORKS PROGRAM TO THE NATION'S ECONOMY**

The FY 2014 Budget provides \$28 million in the Flood Control and Coastal Emergencies account to prepare for emergency operations in response to natural disasters as well as \$2 million in the Investigations account for the Corps' participation in the development and expansion of interagency teams, known as Silver Jackets, to collaboratively reduce the risks associated with flooding and other natural hazards. On a related note, the Corps Emergency Management Program not only includes Flood Control and Coastal Emergencies account, but also \$7 million in the National Emergency Preparedness Program. With this funding, the Corps prepares to help respond to man-made disasters or acts of terrorism, while assuring continuity of organizational operations.

Corps personnel from across the Nation continue to respond to the call for volunteers during national emergencies. The critical work they perform reduces the risk of damage to people and communities. In 2012, the Corps responded to several weather-related events, to include Hurricane Isaac, Hurricane Sandy and the prolonged drought in the middle Mississippi River Basin. Last year's historic drought presented the Corps, our other federal partners, and industry with quite a challenge in our efforts to maintain critical waterborne commerce and other authorized project purposes on the Mississippi and other waterways.

## **RESEARCH AND DEVELOPMENT**

Civil Works Program research and development provides the Nation with innovative engineering products, some of which can have applications in both civil and military infrastructure spheres. By creating products that improve the efficiency and competitiveness of the Nation's engineering and construction industry and providing more cost-effective ways to operate and maintain public infrastructure, Civil Works program research and development contributes to the national economy.

## **NATIONAL DEFENSE**

The Corps has vital work going on here at home and around the world, working in 132 countries, using both our Civil Works and Military Missions programs to support the Warfighter and to help Iraq and Afghanistan build foundations for democracy, freedom and prosperity. We are proud to serve this great nation and our fellow citizens, and we are proud of the work the Corps does to support America's foreign policy, particularly with our ongoing missions in Afghanistan and Iraq. Men and Women from across the Corps – all volunteers and many of whom have served on multiple deployments – continue to provide critical support to our military missions there and humanitarian support to the citizens of those nations.

## **CONCLUSION**

The FY2014 Budget represents a continuing, fiscally prudent investment in the Nation's water resources infrastructure and restoration of its aquatic ecosystems. The Corps is committed to a performance-based Civil Works Program, based on innovative, resilient, and risk-informed solutions.

Thank you, Mr. Chairman and Members of Subcommittee. This concludes my statement. I look forward to answering questions you or other Members of the Subcommittee may have.